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STATE OF THE WORLD'S CHILDREN

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CONTENTS

	Page
Berggren, Warren, Director, Primary Health Care, Westport, CT	91
Prepared statement	93
Bolton, John R., Assistant Secretary of State for International Organization Affairs	7
Prepared statement	9
Bradley, Bill, U.S. Senator from New Jersey	4
Eberstadt, Nicholas, American Enterprise Institute, Washington, DC	74
Prepared statement	75
Grant, James P., Executive Director, UNICEF, New York	25
Prepared statement	27
Langmaid, Bradshaw, Jr., Acting Assistant Administrator, Bureau for Science and Technology	11
Prepared statement	12
Phillips, Kenneth, President, Plan International USA	40
Prepared statement	42

Appendix

Foreign Aid and American Purpose, by Nicholas Eberstadt, excerpt	101
Investment Without Growth, Industrialization Without Prosperity, article	106
Milton Amayun and Thomas R. Getmen, prepared statements	99
Responses by Mr. Bolton to Questions Asked by Senator Pell	16
Responses by Mr. Bolton to Questions Asked by Senator Kerry	104
Responses by Mr. Grant to Questions Asked by Senator Kerry	103
Senator Helms, prepared statement	3
Senator Pell, prepared statement	7
Structural Distortion and Development Assistance in Sub-Saharan Africa, acticle	120
The State of the World's Children 1990, summary	128

STATE OF THE WORLD'S CHILDREN

THURSDAY, APRIL 5, 1990

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 2 p.m. in room SD-419, Dirksen Senate Office Building, Hon. Christopher J. Dodd, presiding.

Present: Senators Pell, Dodd, and Pressler.

Senator DODD. The committee will come to order.

Good afternoon. I would like to welcome all of you to the Senate Foreign Relations Committee this afternoon. Let me express the apologies of Senator Pell, who intended to chair this hearing this afternoon but because the Senate has raised the Vocational Educational Act bill which he is managing he will not be able to get over here for a little bit of time and asked that I proceed with the hearing.

Senator Pell has a longstanding interest in these issues. He has been a leader in the Senate over his career on fighting for the rights of children and for seeking that those rights be recognized in international forums.

He very much wanted to let witnesses know that he intends to push very strongly for ratification of the convention and that he will be using whatever good offices he can to see that that is done in a prompt fashion so that the upcoming summit in September will not only be attended by an American President but will be attended by an American President with the Congress of the United States having ratified that convention.

At any rate, to be a child in too many countries today, as we all know, is to live a nightmare—14 million children die every year due to war and dislocation and due to causes such as disease and malnutrition, and that could be prevented at very low cost. UNICEF reported in 1988 that 1,000 children were dying each day in a silent emergency in Ethiopia. By that same year, the number of Angolan and Mozambiquan children under the age of 5 whose lives were lost as a consequence of war and destabilization totaled more people than were killed by atomic bombs in Hiroshima and Nagasaki.

Young Sereka from El Salvador lives with the horrid memory of torture, of her own torture, of her father's torture, and of her sister's torture. The tolls and torments continue to rise in these and too many countries around the globe where the children are always the first to be torn apart by the conflict, always the first to be worn down by hunger, disease, poverty, and despair.

On Tuesday of this week I chaired a hearing in the subcommittee on children, family, drugs, and alcoholism in which we focused specifically on the effects of war and dislocation upon children around the world. Today we change lenses. We widen our lens by looking at the range of health, nutritional, educational, and economic needs of children whether they be victims of war, poverty, or circumstance. We also look at what is being done for them and the ways in which the war on behalf of the world's children is being fought with varying measures of failure and success.

Finally and most importantly from the vantage point of this Foreign Relations Committee, we begin to focus in on the policies that our Government should pursue in order to end the suffering of the world's children. Such policies are no longer questions of generosity or compassion. They are questions of self-interest and survival, for without our children, of course, we have no future.

The year 1990 is the year to chart the course for that survival. The U.N. Convention on the Rights of Children was unanimously adopted by the U.N. General Assembly in November 1989 after 10 years of negotiation.

The convention is the international community's first universal and binding policy statement on children's rights. The convention represents the world's consensus that there are some universally accepted basic rights which are essential for any child's well-being and full development. It calls for protection from neglect and abuse and for access to adequate living standards, health care, and education. It addresses the situation of children who are especially vulnerable because they are the victims of war as refugees or as child soldiers.

The convention enters into force after 20 nations have ratified it. To date, 75 nations have signed this convention, and, of these, 3 have ratified the convention. I am very hopeful that the United States will be among the next nations to ratify this convention.

The convention is currently under review by various Federal agencies that are expected to make recommendations to President Bush by April 15. I know I join many of my colleagues on the Foreign Relations Committee here today in urging the President to sign this convention and forward it to the Senate for expeditious advice and consent.

The year 1990 is also the year for the first ever World Summit on the Child. In February of this year U.N. Secretary General Xavier Perez de Cuellar announced that the World Summit for Children would be held at the United Nations on September 29 and 30, 1990. Originally proposed by UNICEF, the summit will bring together heads of state in an effort to assure the highest levels of commitment to programs for children and their families, and I am very hopeful that President Bush will lead the world's nations in participation at that summit.

It should be the clarion call of all nations, and with the United States it should be the clearest cry that the world's children have the first claim on our concerns, our capacities, and our resources as we move forward to a new century in a changed world.

Recent trends in the U.S. commitment to programs that aid children around the world are very troubling. While generous in our support for international humanitarian organizations, the United

States allowed its share of support for these agencies to drop steadily for much of the 1980's.

For example, in 1985 the United States contributed 27 percent of the budget for the U.N. High Commission for Refugees but only 22 percent in 1989. At the same time, the number of refugees, I would add, worldwide has increased by 50 percent from 10 million in 1985 to 15 million in 1989.

The World Health Organization, whose programs on immunization, control of diarrhea and acute respiratory illness are critically important to the health of our world's children projects a budget of $35 million in 1990–91. The United States has been a major voluntary contributor to the World Health Organization programs, contributing, however, only $1 million this year. It is not uncommon, I would add, in the U.S. Congress to pass what we call technical amendments without so much as a whisper. That would make $1 million look like petty cash.

Public Law 480 was established in the United States in 1954 as a response to a growing U.S. wheat surplus and established objectives including humanitarian feeding, market development, economic development, and foreign policy. Presently, this program represents one-quarter to one-third of USAID's bilateral economic development resources; and yet, these needs seem often to take a back seat to other foreign policy imperatives. More than 50 percent of title 1 food aid in Public Law 480 goes to just five nations in the world: Egypt, Pakistan, Bangladesh, El Salvador, and the Sudan.

We have much to discuss today, and I first of all want to welcome our friend and colleague, Bill Bradley, and thank him for all the work that he has done over these past number of years on behalf of our world's children and his leadership on the U.N. convention issue. I am especially grateful to him for testifying the other day as our lead witness in the Labor Committee, and to find him here again today talking specifically about the convention.

I might add as an ancillary note in the middle of the testimony the other day, although I had a meeting with Secretary Baker on an entirely different matter and had to leave the hearing, I took advantage of the issue to raise the issue of the convention along with his staff. He specifically promised that he would get word back to us in the next several days about the position of the administration with regard to the convention. So, we are very hopeful to get a positive answer, of course, from the administration.

With that, I will at this moment ask unanimous consent that other opening statements by my colleagues on the Foreign Relations Committee be included in the record and without further ado turn to Senator Bradley.

[The prepared statement of Senator Helms follows:]

PREPARED STATEMENT OF SENATOR HELMS

Mr. Chairman, committee members have often seen me bring my own grandchildren or the children of friends into this room. Our children are our future. This is as true here in the United States as it is in every other country in the world.

This hearing is based on the notion that a vast multilateral undertaking can accomplish what families and governments want to avoid or cannot afford. Need I add, Mr. Chairman, that the United States will be called upon to pay additional amounts to accomplish these ends?

The United Nations Children's Fund (UNICEF) is behind the latest attempt to focus international attention on children. The U.N. itself has declared that something called "children's rights" exists. Some even advocate adoption of an international convention on this subject, although I have yet to be convinced. It is almost as if protecting children is the U.N.'s job, rather than parents and families.

UNICEF also urges support for something called an "International Summit on Children." I confess a healthy skepticism that a meeting or set of meetings is going to do anything to preserve family values, protect unborn children, uplift family income, or improve the world's moral climate.

The administration is currently considering its involvement in the World Summit for Children scheduled for September. UNICEF asserts that the $1.5 million being spent on the summit will lead to increased resources for children. Yet, the administration has rightfully expressed concern. International summits are well-known for adopting meaningless declarations without tangible benefits. Early signs seem to show that this summit is no different.

This afternoon we will hear from several very impressive witnesses. I am always delighted to welcome Assistant Secretary John Bolton to the committee. I hope that a lively debate will occur about the data which is being offered to support the UNICEF recommendations.

Mr. Chairman, the issue is not whether we believe in protecting children. Of course we do. Instead the issue is whether we are protecting the institution of the family and ensuring the wise use of taxpayer dollars.

STATEMENT OF HON. BILL BRADLEY, U.S. SENATOR FROM NEW JERSEY

Senator BRADLEY. Thank you very much, Mr. Chairman. I appreciate the opportunity to appear before the committee on the state of the world's children.

I am also very pleased to be here today with someone who will appear on a later panel, Jim Grant, who is the executive director of the United Nations Children's Fund. As you well know, Jim is undoubtedly the expert on the state of the world's children, and UNICEF's annual reports on this should, I believe, be required reading for anyone and everyone.

I do not want to preempt any of his comments, so what I will do is make my remarks, if it is all right with you, relatively brief.

Senator DODD. Thank you.

Senator BRADLEY. As UNICEF's 1990 report describes in tragic detail, and as Mr. Grant will undoubtedly testify, the children of the world are in real trouble. They are the victims of natural disasters, of poverty, of malnutrition, of disease, of ignorance, but they are also the victims of government neglect and even of government policies.

I would point there to the subject of your hearing the other day in your Subcommittee on Labor and Human Resources in which the whole subject was children in war. No one could be unmoved by the tales told at the hearing by UNICEF Goodwill Ambassador Liv Ullman. I know that you and I both remarked how vivid she made the plight of children and how vicious war can be and how children are a lot more than the legal term in war of "collateral damage."

Changing this is not going to be easy. It is going to be an enormous undertaking, but it seems to me it is a worthy task, and as a Nation we have to meet big challenges. I believe our ambition should begin with our children and spread to all children around the world. Surely this task deserves the attention, the ideas, and the resources of our country. I believe we can make a difference. Our successes in substantially expanding access to immunization and other preventive and basic health care stand as proof that we can make a difference.

Together we have provided funding for child survival activities and especially for childhood immunizations with some real success. As a result, the immunization rate has climbed from just over 10 percent at the beginning of this decade to nearly 70 percent by the end of 1989. Oral rehydration, almost unknown a decade ago, is now being used by one-third of all families in the developing world. Breast feeding programs have helped protect millions of children from malnutrition and infection that may result from bottle feeding, for example.

All of these efforts have saved the lives of millions of kids, but I do not think that is enough. The needless deaths, where here some numbers go as high as 21,000 per day, I think have to be dramatically reduced. I believe that we can reach the goal of universal immunization soon and that other diseases also can be controlled with about 1 dollar's worth of antibiotics or occasionally 10 cents' worth of salts.

Resources alone, though, are not the problem. The World Health Organization estimates that it would cost about $2.8 billion each year to attack virtually all the diseases that kill millions of children each year ranging from tuberculosis to pneumonia. Now on one level that is a big sum, no question about that. Just to give you a little frame of reference, however, that is just about how much cigarette companies spend on advertising in 1 year in this country.

We simply need the political will to build support for a global effort on behalf of the world's children. As the UNICEF report points out, our efforts will be difficult when the debt crisis is draining the vast amounts of resources from the developing world. Resources that would be used for children instead are being paid to banks in interest payments. For 2 years in a row the developing world has paid $50 billion more to service old debt than it has received in new resources, a $50 billion net resource transfer from the poorest countries in the world to the wealthiest countries in the world.

Total net transfers since 1983 from the severely indebted countries are a staggering $174 billion. True, this crisis is in large part the making of governments and of debtor countries who borrowed far too much when interest rates were low for fancy projects that their countries may not have needed. But we need to find a way to reduce this burden. It is taking food and health care away from children.

If we cannot staunch the hemorrhage of resources, the dire circumstances facing the world's children are only going to worsen with tragic consequences for all of us.

Mr. Grant and UNICEF have done more than write reports, as I know you are aware. They were instrumental in drafting the U.N. Convention on the Rights of the Child, adopted unanimously by the U.N. last November, which you spoke of in your opening statement, and they are also playing a major role in the summit to which you also referred that will take place next September.

On the convention, we all know that it will not resolve the debt crisis, nor will it end war or poverty or famine or disease; but it can make a difference in the lives of millions of children. It will ensure that children are granted the basic political and civil rights that are now often denied them. It will encourage governments to devote more of their limited resources to true social investments in primary health care and education. Most importantly, it will make children a priority for governments all over the world, forcing them to consider the impact of their actions on the lives of their children in their own country as well as in other countries.

Mr. Chairman, if we are a world leader, which I believe we are as a Nation, and care about the plight of children here and around the world, we simply cannot let the convention on the rights of the child sit on the shelf gathering dust. You and the majority of this committee have been strong supporters of S.R. 231 which calls on the President to review the convention expeditiously and to send it to the Senate and to this committee for its advice and consent on ratification and to do so as soon as possible.

This resolution has 28 cosponsors, and I expect more will join us in the near future. I hope we are going to see action on the resolution, but, more importantly, I hope we are going to see a positive response from the White House soon and that the administration will sign the convention on the rights of the child and that we will be able through this committee to adopt it and send the world a signal that we are prepared to stand by our words with our actions to be the champion of the world's children.

I appreciate the opportunity to testify.

Senator **Dodd**. Thank you for that.

By the way, on the legislative agenda this afternoon at 3 or 3:30 p.m., we may in fact have to interrupt the hearing. The No. 1 legislative agenda item is S.R. 231. So, for those of you who are here and interested in the subject matter, if we ask you to refrain from further comments while we deal with the legislation before us, you will understand that one of the items is extremely important.

We thank you, Bill, for your leadership on this.

Senator Pressler, there is a vote on, and those were the first bells. If you want to ask Senator Bradley——

Senator **Pressler**. I just want to thank Senator Bradley for his fine testimony and say that I look forward to our 3 p.m. meeting when we act on this legislation.

Senator **Dodd**. Thank you very much.

Bill, again, we want to just thank you for the role you have played in this. I cannot believe that the administration would take any other position. They have some concerns they want to raise, and we want to hear those and try to be helpful if we can, but I cannot believe they will not take a position of being supportive of this effort. I know the President cares too much about it, as does Mrs. Bush.

Certainly the statistics that you and others have pointed out speak for themselves. We are reaching crisis proportions, and so action is necessary.

Thank you very much.

Senator **Bradley**. Thank you very much.

Senator **Dodd**. The committee will stand in recess for a few minutes here until we have a chance to vote. Senator Pell will be coming over, I presume, at the conclusion of the vote. So, we will ask you all to be patient.

[A brief recess was taken.]

The **Chairman**. The committee will come to order.

First, I want to apologize very much indeed for the wayward habits of the Senate, the sudden rollcall vote and the business meeting of the Foreign Relations Committee which we had to hold. In any case, with this panel in this room we are focusing on an important and too often ignored subject, the state of the world's children.

The greatest resource of any nation is its children. We all agree on that. This resource is being drained away, sapped by death and illness particularly in the Third World, and particularly in three countries of the Third World, Bangladesh, Pakistan, and India. Vaccine prevents diseases, respiratory infections, and other treatable conditions. Malnutrition claims the lives of millions of children each year. We cannot stand by and let these trends continue. Out of mercy for the people here I will put the rest of my statement in the record as if read and proceed to you, Mr. Bolton.

[The prepared statement of Senator Pell follows:]

Prepared Statement of Senator Pell

This afternoon we are focusing on an important, and too often ignored subject: the state of the world's children. The greatest resource of any nation is its children. But this precious resource is being sapped by death and illness, particularly in the Third World. Vaccine preventable diseases, respiratory infections and other treatable conditions, and malnutrition claim the lives of millions of children each year. We cannot stand by and let these trends continue.

Last November, the United Nations General Assembly unanimously adopted the Convention on the Rights of the Child-the first legally binding treaty guaranteeing specific rights to children. The Bush Administration's decision not to sign the Convention is a mistake which sends the wrong signal about where the United States stands on children's rights. I believe that the Administration should sign the Convention and send it to the Senate for consideration immediately.

This September, a World Summit for Children will be held at the United Nations. For the first time, heads of state will meet to determine a plan of action for protecting children and ensuring their survival and development. I am hopeful that the President will attend this summit and that the summit will result in effective action on behalf of all the children of the world.

STATEMENT OF JOHN R. BOLTON, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE

Mr. **Bolton**. Thank you very much, Mr. Chairman. In the interest of time, if I could offer my prepared remarks for the record and just give a short summary.

The **Chairman**. Certainly. That will be inserted in the record as if read.

Mr. **Bolton**. Thank you very much.

It is a pleasure to be here today, Mr. Chairman, to address this very important issue. I note in the prepared testimony a number of the activities of various agencies of the U.N. system that are of assistance to children, UNICEF obviously being the principal U.N. agency but also the work of the World Food Program, the U.N. High Commissioner for Refugees, and the U.N. Development Program as well.

I wanted to focus my remarks today on the proposed summit for children, and my colleague, Mr. Langmaid, will focus his remarks on our AID bilateral programs which affect children.

The United States supports the concept of a summit for children that would result in direct and immediate benefit for the children of the world. To this end, we are working with the six initiating countries and other governments to ensure that the summit now planned for late September 1990 will be a successful one.

Although it is no secret that when the idea of a summit was first launched we had a number of concerns, we have been actively engaged in the summit planning and preparatory process which has begun to address some of those concerns. We are now more optimistic that the summit's discussion will focus specifically on children's issues, avoiding the broader global issues which are the focus of other international discussions.

The United States has participated actively in the process of developing the major summit themes and the document that will eventually be the summit declaration. We will continue to do so.

In seeking to help shape a summit that will improve the health and well-being of the children of the world, we have urged that this conference focus on action at the national level to address the needs of children, clearly defining programs such as child survival, health, and basic education measures which will directly benefit children.

I should note, Mr. Chairman, that the United States has not been alone in its reservations about the summit and whether it will be worth the cost. A number of other countries share our concerns. Could the moneys be better spent on direct interventions for children under UNICEF's regular program, and could this turn out to be just another hollow exercise in public relations?

This is not a U.N. meeting. It is being held under the auspices of the six sponsoring governments. At their request the U.N. is providing assistance. The Secretary General issued invitations on their behalf, and UNICEF is providing the summit secretariat. The $1.5 million budget for the summit will be financed from voluntary contributions made to UNICEF for this purpose. There is also a $2 million budget for summit-related mobilization activities in participating countries.

To date, I understand that over $500,000 has been pledged in support of the summit itself and nearly $500,000 for summit mobilization activities.

The United States has long been a leader in efforts on behalf of children, and we trust that the summit planning process will be such that we will be able to recommend the President's participation. We are working hard to make the summit a success.

Mr. Peter Teely, whom the President has just named as the U.S. representative to the UNICEF Executive Board, has also been designated as the President's personal representative for preparation for the summit, and he has actually already attended one of the meetings of the planning committee and participated actively in its work.

With that, I will conclude, Mr. Chairman, and I will be happy to answer any questions the committee may have.

[The prepared statement of Mr. Bolton follows:]

PREPARED STATEMENT OF JOHN R. BOLTON

I welcome the opportunity to appear before you today to discuss some important programs of the United Nations which address the needs and support the development of children. And in particular to address the U.S. position on the world summit for children proposed by UNICEF's Executive Director Jim Grant almost a year and a half ago.

The United States supports these U.N. activities through both voluntary and assessed contributions. Undoubtedly, UNICEF is the best known of the U.N.agencies which address children's needs. The United States is the largest contributor to UNICEF. And our fiscal year 1991 request is nearly a 50-percent increase over that of last year. UNICEF's programs run the gamut from developmental in such fields as water and sanitation to immunization and disease treatment programs.

UNICEF activities. along with the feeding and relief programs of the WFP and UNHCR are also key components to multilateral efforts to respond to emergency situations. Such as the drought in Sudan or the needs of Afghan refugees.

UNICEF has spearheaded international efforts on behalf of children, and we have encouraged UNICEF to increase its effectiveness by strengthening the attention it gives to the long-term sustainability of its activities, and to its cooperation with other parts of the U.N. system which can also affect children's lives.

For example:

—UNICEF works under the guidance of WHO's Global Program of Action to design projects directed toward combating the spread oF AIDS.

—UNICEF, along with WHO and other organizations, has taken a lead in promoting breast feeding as an essential element of child survival. Vitamin deficiencies and growth monitoring are two other areas where UNICEF has taken the lead.

—WHO's Diarrhea Diseases Program seeks to reduce mortality and morbidity from diarrheal diseases, particularly in children. By 1995 . WHO's goal is to see that 95 percent of the population in developing countries will have access to oral rehydration salts (ORS).

—Another program which is beneficial to children is the Expanded Program on Immunization. WHO has been working closely with UNICEF toward the goal of universal childhood immunization, and has developed training materials and established the basic information system which provides data on immunization coverage and disease incidence.

—Other WHO programs include promoting and protecting the health of women and children, and reducing negative behavioral patterns, i.e., prevention of drug and alcohol abuse, smoking, etc.

—The question of nutrition will also be addressed at a major international conference (Rome, Dec. 1992) on nutrition cosponsored by WHO and FAO. The conference will be aimed at mobilizing efforts and resources to combat all types of malnutrition.

A number of U.N. organizations and governments, including the United States, sponsored the World Conference on Education for All, from which I just returned. The conference produced a commitment by the world's educational and political leadership to ambitious new goals for improving basic education over the next decade. Those goals include the provision of education of real quality to children in each nation, cutting adult illiteracy in half, and providing access to vital information on health, agriculture, and similar developmentally essential topics. A particularly strong consensus emerged on ensuring greater educational access for girls. The World Bank and UNICEF both pledged large increases in funding priorities for primary education. The United States was active in making this conference a signal success through work by AID and a broad interagency group. Followup steps involving both the foreign affairs agencies and the Department of Education are underway.

Turning now to the World Summit for Children, the United States supports the concept of a summit for children that would result in direct and immediate benefits for the children of the world. To this end we are working with the six initiating countries (Sweden, Canada, Egypt, Pakistan, Mali, and Mexico) and other governments to ensure that the summit now planned for late September 1990 will be a successful one.

It is no secret that when the idea of a summit was first launched we had a number of concerns. We have been actively engaged in the summit planning and preparatory process which has begun to address some of these concerns, although a number remain. We are now more optimistic that the summit discussions will focus specifically on children's issues, as opposed to broader global issues.

In seeking to help shape a summit that will be a productive one, in terms of improving the health and well-being of the children of the world, we have urged that the World Summit for Children focus on action at the national level to address the needs of children, clearly defining programs such as child survival, health, child spacing, and basic education measures, which will directly benefit children.

We have suggested to the governments involved in the planning process that a core of such activities might include coverage of basic child health and social services, such as immunization and oral rehydration therapy; levels of maternal and child nutrition; access to methods of child spacing; and education of mothers, early childhood education, improvements in the levels of primary school enrollment and completion.

In efforts to ensure that a summit results in real benefit to children, we also have recommended that the summit participants consider:

—Establishment of strategies for the survival, protection, and development of children at the national and local levels with clear objectives, targets, and plans;

—Identification and designation of national systems to monitor programs in order to make all parties accountable and to enhance the total effort;

—Active participation of nongovernmental organizations, communities, and families in providing information services and support to children;

—Involvement of international organizations in the developing of a framework for international action;

—Improvement in resource allocation and priority setting at the national and local levels;

—Increased attention to the needs of children with special needs and children at risk, including refugees and the displaced; and

—Increased focus on women in their role as mothers.

These ideas, developed through an interagency process that includes representatives from AID, HHS, and the Departments of Education and Labor, and the White House, have met with general support among other participating governments.

Other summit planning committee member governments and U.N. agencies (e.g., UNEP, UNESCO, UNHCR, UNICEF, WFP, WHO, World Bank) have also made suggestions covering a wide range of topics and issues. They include:

—Education and literacy (formal/nonformal);

—Protection of children in difficult circumstances (violence, war, handicapped, displaced, refugee, street children, orphans);

—Child survival, protection, and development;

—The Convention on the Rights of the Child;

—Resource mobilization;

—The environment;

—Women and the girl child;

—Nutrition and breastfeeding;

—Population and birth spacing;

—Improvement of basic health services;

—Infant and child mortality rates;

—Control of diseases, immunization, diarrhea, waterborne disease, AIDS; and

—Debt relief and poverty.

You will note many similarities with our own suggestions, but also a number which we oppose having included. For example, debt relief and poverty certainly affect the welfare of children, as they do the standard of living of all people; yet we believe there are more appropriate forums in which these broader questions are being effectively addressed.

The United States will continue to participate in the process of developing the major summit themes and the document that will eventually be the summit declaration. We are pleased that at the recent planning meeting, just this past Monday (April 2), the discussion moved toward a consensus on the need to focus the summit on issues related to the survival, protection, and development of the child.

I should note that the United States is not alone in its reservations about the summit and whether it will be worth the cost. A number of other countries share our concerns. Could the moneys be better spent on direct interventions for children under UNICEF's regular programs?

The $1.5 million budget for the summit will be financed from voluntary contributions to UNICEF for this purpose. There is also a $2 million budget for summit-related "mobilization activities" in participating countries. To date, I understand that over $500,000 has been pledged in support of the summit itself, and nearly $500,000 for summit mobilization activities.

These sums are substantial. They should bring direct benefits to children, and not simply finance a public relations effort.

The U.N. Secretary General sent invitations to President Bush and others on behalf of the summit initiators. With decisions still to be made regarding the summit objectives, agenda, and format, many countries, including the United States, have the level of their participation under review. They, too, are watching to see how the process evolves and what the likely outcome will be before making decisions on their representation.

I should note that the summit is not a U.N. meeting. It is being called by the heads of six governments—Sweden, Canada, Egypt, Mali, Mexico, and Pakistan. Prime Minister Mulroney of Canada and Prime Minister Bhutto will serve as its cochairmen. At the request of the six initiators, the United Nations is providing facilitative assistance and support. The Executive Board of UNICEF has authorized UNICEF to provide secretariat support for the summit.

The United States has long been a leader in efforts on behalf of children, and we trust that the summit planning process will be such that we will be able to recommend the President's participation. We are working hard to make the summit a success. Mr. Peter B. Teeley, whom the President has just named as the U.S. Representative to the UNICEF Executive Board, is heading the U.S. representation on the summit planning committee.

Thank you, Mr. Chairman.

The Chairman. Before returning to you, Mr. Bolton, I will ask Mr. Langmaid for his statement.

STATEMENT OF BRADSHAW LANGMAID, JR., ACTING ASSISTANT ADMINISTRATOR, BUREAU FOR SCIENCE AND TECHNOLOGY, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. Langmaid. Thank you, Mr. Chairman. It is a pleasure to be here.

I had the pleasure a few days ago to accompany Dr. Roskens, our new administrator, to what I think was his first hearing before the Congress subsequent to your confirmation of him. He was asked a question as to what were the priorities he had for A.I.D. He said there were two: One, broad-based sustainable economic development; and two, human resources development. He thought it was terribly important that the Agency be focused, and if he had to react at that point after 6 days in the office, those were the areas that he felt were most important.

I thoroughly agree with his characterization of where our Agency needs to put its attention. Clearly, if we cannot get more resources in the hands of families, the health of the children of those families is going to suffer. More and more evidence suggests that there is a direct correlation between the jobs and the incomes and the resources available to the family structure and the needs of their children.

At the same time, programs targeted on the needs of children can have a major effect. The Congress has been very supportive in providing considerable leadership to the child survival initiative over the last 5 years. It is worth noting that since 1985 when child survival was started as a designated program, over $1 billion has been provided for that activity.

In 1985, less than 25 to 30 percent of the children were immunized. Now 6 out of 10 children in the world are immunized. Last year, 80 million children received measles vaccines. This is some strong evidence of what a focused program can do as a complement to the overall effort to increase economic growth.

My Agency has put considerable resources into child survival. Among my other duties, I am the chairman of the Agency's Child Survival Task Force. Child survival will continue to be an important priority for A.I.D. I have a rather long statement which describes the A.I.D. program in much more detail, and I will leave that for the record.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Langmaid follows:]

PREPARED STATEMENT OF BRADSHAW LANGMAID, JR.

Mr. Chairman, members of the committee, thank you for this opportunity to discuss the approach and work of the U.S. Agency for International Development (AID) in attacking problems of children.

The three fundamental goals of A.I.D.'s economic development program are broad-based economic growth, human capacity development and pluralism. These goals represent our vision for the future. And, children are the future. Children are both the beneficiaries of and the future producers of the growth and development of nations. Their interests underlie our development strategy.

Sustaining the ability of a family or a society to assist its children to develop into productive members of society is key to A.I.D.'s development effort. It is not enough simply to support the provision of vaccines or medicines or schooling. While not deemphasizing the critical role of child survival programs, we must also look "beyond child survival." To ensure the prospects and quality of life of children:

—the economies of developing countries must grow to provide resources for health and education programs;

—family income levels must be raised and access to services and resources increased;

—health and education professionals must be appropriately trained, and such training must be institutionalized;

—donors must coordinate and work responsibly toward transition from reliance on external to domestic sources of finance;

—the private sector's capacity to communicate, finance, and provide services designed for children and their families must be tapped;

—families must be provided with the information necessary to determine their children's health and educational needs; and

—families must be empowered to effectively use, and if possible to provide, the health technologies and other social services they deem appropriate.

Social progress will not be attained or sustained without economic growth and vice versa. One of the social indicators most often correlated with economic growth and development is reduced infant and child mortality. Children and adults who are sick cannot participate in the economic, political, and social institutions of their communities and societies. On the other hand, without an open and economically healthy environment, even the children who survive will have nothing in which to participate. Thus, A.I.D.'s entire portfolio supports improvements in the lives of the peoples of developing countries, of whom children are the most vulnerable members.

The basis for creating and sustaining development is broad-based economic growth. Without such a growth-oriented base, improvements in the prospects of children will not occur or will be short lived. Even where there are specific technologies—immunization, ORT, vitamin supplementation their continued delivery and use depends upon the resources of the society and the family.

The future of children is shaped early on by the income, education, and support of their families. The family is the nexus between economic development and the next generation. Families provide the environment within which the next generation is born, sheltered, nourished, and educated. Finally, it is within the family that the motivation for improving the present circumstances of and future prospects for children is strongest. Thus, everything we do to make families stronger and more economically self-reliant aids the world's children.

As we look to the future, we must try to help families increase their resources, thus enabling parents to meet their children's needs effectively and on a sustainable basis. Our job is to help expand the choices available to families. As choices about employment and about whether to use public or privately offered services expand, people are better able to cope with the sometimes difficult circumstances of their lives. As family income grows, their opportunities to participate in the affairs of their communities and their countries increases, as they begin to have control over their lives, personally and economically.

As we assist families create a healthy, nurturing environment for their children, we face new challenges. Children will be faced with a set of problems which have not yet been adequately addressed, whether it be acute respiratory infection, nutrient deficiencies, or the quality of education. Improvements in access to quality education will become critical to sustaining and multiplying gains already made in the health and nutrition of children. The solutions to this second generation of problems will become increasingly important as we look toward the 1990's.

AID's approach to the achievement of sustainable broad-based growth is through policy reform, greater opportunities for the private sector, decentralization, development of human capital through education and training, and sustainable management of natural resources. Thus, through these basic approaches to development and support for some specific health interventions, A.I.D. will continue to support sustainable solutions to the problems of children and their families.

We must remember that although tremendous efforts have been made, the burden of infant and child death still weighs heavily on the families and economies of the developing world. Poverty and civil strife are major causes of these deaths. A.I.D. is ready to build on what has been learned in order to deal more effectively with the problems facing children today.

The immediate causes of death and disability among infants and young children are clear. These include diarrheal diseases, vaccine-preventable diseases such as measles, polio, and neonatal tetanus and other communicable diseases such as malaria, pneumonia, and other acute respiratory infections, and Acquired Immune Deficiency Syndrome (AIDS). Childhood ailments become an even greater threat when exacerbated by malnutrition, high-risk pregnancies, and lack of education. In addition, pervasive—and in some cases worsening—poverty keeps good health out of reach of too many of the world's families and the next generation they are nurturing.

AID's experience with child survival programs of the last several years has shown that it is possible to make dramatic improvements in the prospects of the young. The challenge for the 1990's is to find ways to sustain these improvements and carry them beyond child survival. Although A.I.D. has supported child survival interventions since the early 1970's, our efforts accelerated in the mid-1980's. Since fiscal year 1985, a total of $848 million from various funding accounts has supported child survival efforts in 60 countries.

For fiscal year 1991, a total of $194 million has been requested for direct child survival activities. Of this total, $44 million has been requested for immunization and $42 million for diarrheal disease control. Another $36 million is proposed for nutrition activities including promotion of breastfeeding, improved weaning practices, growth monitoring, and vitamin A activities. For breastfeeding programs alone, A.I.D. has requested $6 million for fiscal year 1991. An additional $21 million of child survival resources is proposed for programs to reduce high-risk births. These programs are complemented and certainly dwarfed by the Agency's one-quarter billion dollar population and family planning program with its attendant benefits for the health of mothers and their children. Finally, the remaining child survival funds, some 26 percent, are being requested to fight other diseases and problems identified as important at the country level, such as pneumonia, malaria, and other communicable diseases.

BEYOND SURVIVAL—GROWING UP HEALTHY

Efforts to immunize children, prevent death from diarrhea, provide nutrition and space births are necessary for the survival and development of children. However, these survivors could be lost to fatal diseases like pneumonia and malaria.

Globally, some 70 percent of deaths from acute lower respiratory infection are due to pneumonia. In Honduras, Egypt, and Jordan, where these infections now account for one-third of all deaths of children under age 5, A.I.D.-funded projects are laying the groundwork for curbing pneumonia deaths on a large scale.

Malaria also accounts for a significant proportion of child deaths. In Africa, where the most severe form of malaria is endemic, conservative estimates put annual child deaths due to the disease at 1 million, making some 25 percent of all child deaths there due to malarial infection.

Through its Vector Biology and Control project, A.I.D. is improving malaria control efforts throughout the developing world by providing technical assistance and training in surveillance, data management, operations research, and vector control.

As we save young lives with our proven interventions, a new specter is emerging on the horizon. The future of children is being threatened by A.I.D.S. An increasing number of infant and child deaths are attributed to perinatal infection with the human immunodeficiency virus (HIV), which causes A.I.D.S. In Uganda, for example, current projections suggest that the virus could increase infant mortality in Kampala from 5 to 42 percent over current levels. A.I.D. programs designed to prevent and control A.I.D.S also contribute to prevention of pediatric A.I.D.S and therefore to the survival of children. In fiscal year 1991, A.I.D. plans to support the World Health Organization's Global Program on A.I.D.S at a level of $21 million and to provide an equivalent amount in bilateral support. Some of the threat of A.I.D.S to children is indirect. In Uganda, parental death from A.I.D.S is a major contributor to its orphan population.

Consistent with our congressional mandate to help the orphans of civil strife, A.I.D. is assisting the world's most defenseless. In many cases, we must solve these problems family by family. For example, last year in Mozambique:

—over 1,000 children were reunited with relatives and given food, clothing, and educational supplies,

—approximately 540 displaced and traumatized children underwent treatment and counseling, and

—another 2,300 children living in orphanages or with substitute families received food and household goods.

Similar assistance is being provided in Ethiopia, Madagascar, and Uganda. Through programs run by local and international nongovernmental organizations and host-country governments, orphans are being fed, resettled, counseled, and provided health care. Orphanages are being built, remodeled, and supplied with mattresses, blankets, cups, plates, and hoes. Orphanage workers and government officials are being trained in child care, family tracing, and resettlement, and in the screening and treatment of children traumatized by war and the loss of their families.

Over one-third of the fiscal year 1990 $3 million agencywide development assistance funding for aid to orphans is already programmed for Mozambique and Uganda. 0FDA's $500,000 dollar level is scheduled to be split among Ethiopia, Angola, Mozambique, and Uganda.

AID will continue to respond to the needs of these children, but this must be done within the context of broad-based sustained development that can provide the necessary resource base to support the next generation, even in times of crisis.

EDUCATING THE NEXT GENERATION

The key to such self-sufficiency will be education. Raising the education levels, especially for girls and women, is among the most powerful and cost-effective means of supporting reductions in family poverty, improvements in child survival and family health, full economic and political participation and informed choice in all aspects of women's lives. The graduates of the child survival revolution can only become productive members of modern society with a basic education. As more children survive to schooling age, the quality and efficiency of educational systems must improve to meet their needs, increasing the demands on an already over-burdened human and physical infrastructure. Countries need to use education resources more efficiently, to make better use of family and community resources for education, to use instructional technology to moderate costs and reach isolated communities, and to resolve the problems of access, quality, and relevance which limit the participation of girls, and poor and rural children. Countries facing these new challenges will also need to find ways to sustain achievements already made. We can help them. A.I.D. has been a leader in international assistance to education for more than three decades, and our emphasis on basic education expansion and reform is not new.

With the conclusion of the World Conference on Education for All a renewed sense of the importance of basic education has emerged. A.I.D. wants to continue to play a leading role in donor support for basic education. This does not mean that we as an Agency are able to carry a heavier financial burden. A.I.D. will seek, instead, to combine its resources with those of other donors and the host country to help address the growing needs of educating children worldwide. Currently, we support basic education programs in over 25 countries, with activities ranging from policy reform programs in Mali and Pakistan, to a bilingual education project in Guatemala.

AID obligates approximately $135 million annually for basic education programs designed to support country efforts to expand and improve the quality of their primary and secondary schooling systems.

THE CHALLENGE FOR THE 1990'S

We are all aware that many families in the developing world still lack access to the resources and services necessary to improve their own lives and those of their children. However, the gains already made are impressive and they will have a lasting effect since improvements in education, health, family planning, and nutrition tend to be passed on from generation to generation. However, we must continue to build on these gains and maintain the momentum achieved in service delivery, while working harder to achieve sustainability through increases in national and family resources, derived from broad-based economic growth.

Beyond the survival and education of the next generation, we must provide an environment that can allow and sustain growth, development and participation in society. The establishment of a healthy economic and social environment in developing countries is the primary objective of our foreign assistance. This means:

—agricultural research to ensure adequate food,
—open markets and private enterprise to ensure adequate jobs,
—democratic values and institutions to allow the participation of all people,
—economic policies to encourage trade and investment, and
—wise management of natural resources to ensure sustained growth.

Remarkable strides have been made. Our record is an impressive one, one that I am committed to continue with the support of the U.S. Congress and the American people.

The CHAIRMAN. Thank you very much, and I assure you the statement will be printed in full in the record.

I would like to ask Mr. Bolton his view as to why the administration has not signed on to the convention for the rights of the child?

Mr. BOLTON. Mr. Chairman, we are engaged now in the course of an interagency review process of the convention. As Senator Dodd said earlier, we hope to have the views of other interested agencies by mid-April and would then begin to look at what questions they may or may not raise. So, at this point we have not signed on because we have not reached a position unified around the Government as to whether we are going to seek to have it ratified.

The CHAIRMAN. What are the intentions of President Bush with regard to attending the summit?

Mr. BOLTON. We have been in very close touch with the White House staff and the National Security Council staff on this question. We are not yet at a point where we can make a recommendation to the President as to whether he should attend. In part, that will depend on the progress made in the planning and preparatory work of the summit.

As I indicated in my statement, we have seen some very positive developments in that regard, and we hope we are going to be able to make that recommendation. As you know, it is always difficult given the President's schedule to predict where he will be at any given time. We are just not yet at a stage where we can make a recommendation to him.

I have spoken on the subject of the summit on several occasions with Secretary Baker. He is very aware of it.

The CHAIRMAN. Two or 3 years ago, I remember making the suggestion to Mr. Gorbachev that we have the United States and the Soviet Union work together on six diseases for which a vaccine can be administered in one dose. We have tried to take responsibility for doing it for the world's children under 2.

Did you ever hear any report of how that idea went along or whether there was any momentum to it?

Mr. BOLTON. I have not, Mr. Chairman, but I would endeavor to find out and would be happy to give you an answer back for the record on that one.

[The information referred to follows:]

RESPONSES BY MR. BOLTON TO QUESTIONS ASKED BY SENATOR PELL

Question. Two or three years ago, I remember making the suggestion to Mr. Gorbachev that we have the United States and the Soviet Union get together on six diseases for which a vaccine can be administered in one dose. Did you ever hear any report of how that idea went along or whether there was any momentum to it?

Answer. The Public Health Service (PHS) of the Department of Health and Human Services is responsible for the U.S. Government's program of health cooperation with the Soviet Union. This program, which is carried out under a bilateral agreement signed in 1972, is based on mutual interest and benefit. Areas for cooperation and specific project activities are mutually agreed upon on the basis of each side's being able to contribute scientifically to the program effort.

In the area of vaccine development, the United States and the U.S.S.R. are cooperating on development of influenza vaccines. Joint efforts are also ongoing to identify non-A, non-B hepatitis viruses. This may result in findings which could enhance efforts to development vaccines and diagnostic products for hepatitis. Although the general topic of childhood immunizations was part of the discussions at the 1988 meeting of the U.S.-U.S.S.R. Joint Health Committee, we have not yet joined with the Soviets in an effort to develop a single-dose vaccine against six children's diseases, as suggested by the Committee. The type of research required for such a vaccine has not, in general, been viewed as an area of scientific strength within the Soviet Union.

The United States will be addressing, in consultation with other countries and the World Health Organization, the potential for developing new or improved multivalent vaccines against children's diseases. These consultations will no doubt include Soviet scientists.

The CHAIRMAN. Thank you.

I would like to ask Mr. Langmaid what you believe the goals are that we should focus on. I mentioned earlier the six different diseases. As I understand, immunization, oral rehydration, treatment of respiratory infections, breast feeding, birth spacing, and malnutrition are goals, but those are not the same as the vaccine goals I was talking about earlier.

Which is more important? Do you think the emphasis should be on the vaccines or these more general goals?

Mr. LANGMAID. The emphasis that our Agency has given to child survival is in four areas: immunization, where we are talking about five antigens, hopefully 80-percent coverage of all children in the emphasis countries; oral rehydration therapy where our objective is to achieve 40-percent use of oral rehydration therapy to combat diarrhea, birth spacing, and nutrition.

Immunizible diseases and diarrhea remain the major killers of children in the world. Remarkable progress has been made in some areas and, frankly, one can at least hope at this stage that we may eradicate polio from the Western Hemisphere. There has been no live polio virus recorded in the Western Hemisphere for the last 5 months, and we may be very close to that rather remarkable achievement.

The fact remains, however, that 4 out of 10 children are not now immunized, and those 4 tend to come from the most remote, the poorest segments of society. We are not reaching them for good reason. They are the hard to reach. So, from our standpoint we think it is essential that we keep focused on the programs that we know will work, that have demonstrable success. We need to ensure they are on a sustainable basis.

There is no question, Mr. Chairman, that AIDS is a critical concern area. It has a significant impact on children. Infection rates among mothers is very high.

It is important to focus on the health of the mother. There is, I think, increasing concern over maternal health. Maternal tetanus is a particular problem. Unfortunately, tetanus requires five shots to be effective. Giving the same person shots five times over a span of 2 years is a virtual impossibility in the developing world. We have the technology to develop a single shot but do not have one yet.

So, I think it is important that we stay the course. We would not support, would not encourage a broadening of the focus until we are sure we have this job done right.

The CHAIRMAN. Is it true that it takes more than one shot to make immunization against measles permanent?

Mr. LANGMAID. There are some problems with the measles vaccine. It is not universally effective. The real problem in the developing world is the current measles vaccine used cannot be given to children who are young enough. There is a new vaccine which is now on the market, which A.I.D. helped develop and which can be given at the 6-month to 1-year level. Many of the deaths occur before the child is 1 year old, and the current vaccine could not be given until after the child is 1 year old.

There are some vaccine problems, but I think they are on their way to being resolved.

The CHAIRMAN. I would like to ask each of you what your view is as to whether consensus can be achieved at the summit or if we can get some achievable goal such as 90 percent of the immunization of kids by the year 2000?

Mr. BOLTON. Mr. Chairman, I think that, at least based on the work so far, there are indications that we will be able to make progress toward consensus on national level priorities, and our major hope is that we avoid getting into extraneous issues like the debt question, like PLO, like other questions like that, that the consensus will be more likely if in fact the summit stays focused on its principal topic and does not get diverted into other areas.

The CHAIRMAN. Mr. Langmaid.

Mr. LANGMAID. I would agree with Mr. Bolton on that.

The CHAIRMAN. I notice, Mr. Bolton, you mentioned in your testimony the question of conditional support for the projected September summit. What would make that conditional into unconditional?

Mr. BOLTON. We have followed this mode of operation in a number of other contexts in an effort to find out whether the preparations are likely to lead to a productive outcome, and it has proven useful, I think, in moving certain other conferences in related areas in the preparatory stages to come to a positive outcome.

For instance, that is essentially what we are doing now in the preparation for the upcoming General Assembly special session on development, and we have now determined to go ahead and participate in that special session. I think the fact of the way we conducted ourselves has led to what we hope will be a productive outcome there. We are looking for the same sort of process here.

The CHAIRMAN. Thank you very much.

Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman. Our apologies for the delay over here.

The good news is we—You think it is good news, Mr. Bolton?

Mr. **Bolton**. It is very good news.

Senator **Dodd**. We were able to pass the resolution out of the committee thanks to the leadership of Senator Pell in getting that done.

Just for my own information—and again, I apologize, and if you have addressed this just say so and I will pick up the response at a later time—I spoke with the Secretary the other day very briefly. It was at the end of another meeting on an entirely different subject matter along with the general counsel and asked if we could get an answer fairly quickly. I do not know if that was transmitted to you or not.

Mr. **Bolton**. I have not spoken to the Secretary on that subject since your conversation with him, but, as you correctly noted in your opening statement, Senator Dodd, we are hoping to have back from the other concerned agencies their comments and reactions to the convention sometime by the middle of this month, and, depending on what those reactions are, we would be in a position to come to a position within the executive branch. Since we have not yet heard what the comments might be, it is difficult at this point to predict exactly what the response time will be, but I will certainly follow up with the Secretary on the point you have just raised.

Senator **Dodd**. It is a matter of timing. We will not be here for the month of August. There will be a recess week at the end of May and into June, another recess period in July around July 4. We will come back in the month of September, and our adjournment date is early October, I think around October 1. So, if you total all the weeks left for everything we have to do here, you are looking at a total of maybe 10 to 12 weeks, working weeks, in this session, and then we are an entirely new Congress and, of course, September 29 will have come and gone.

I am not trying to rush the process, obviously, but it would be extremely helpful to us if at the earliest possible time, even as soon after we come back, if we could get an answer.

I presume what we are looking at here is recommendations that would be asked to include or add on to the convention. I am not even sure what the status of this document is to the extent we can add any conditions, reservations, and the like.

Are we looking at a situation where there is basically, at least in theoretical terms, support for this convention and then what additional provisos that we may want to add? Is that the general thrust?

Mr. **Bolton**. Subject to the caveat that we obviously have not heard from some of our other colleagues in other agencies, there is no question that we support the general thrust of the convention and its principal goals. There are concerns that have arisen in the context of analogous conventions, just to mention one, the federalism concerns being an issue, and we have not yet heard from the Department of Justice but I know, having been there myself in the past administration and in part of this administration, that federalism concerns are strongly held and we are going to have to see if they can be addressed.

They arise because a number of provisions of the conventions deal with what in other countries can be decided as a matter of policy at the national level, whereas in our system of shared Federal responsibility they are traditionally handled by the States and local governments. So, that issue has to be analyzed, and we are hoping to get something back, as I indicated, by the middle of the month, see how serious the concern is and where we go from there.

Senator DODD. I would again like to urge a rapid response. Obviously, an issue like that, and this is not a unique question, we have been able to accommodate that concern through reservations in the past. My hope would be that we could get some answers so we could move quickly.

Mr. BOLTON. Certainly, that is one of the options that I know is being considered, and I can assure you in any event that there is no intention on our part to delay. It is a question of having the thorough kind of review that a convention of this seriousness deserves.

Senator DODD. I understand that the immunization programs have been and continue to be one of the most successful tools for child survival, moving on to another area here. In addition to reaching more of the world's children every year and protecting them from six major diseases, I understand that many more vaccines can be developed and applied. For instance, one combating measles is now available. I am told that new technology exists to make immunization programs even more effective and efficient.

My question is how is it that in a substantial health budget of a number of millions of dollars that the agency invests only $1 million on development and research and application of the new vacancies and delivery systems?

Mr. BOLTON. To which agency are you referring, Senator?

Senator DODD. Well, this would be us A.I.D., I guess.

Mr. BOLTON. I will defer to Mr. Langmaid on that.

Mr. LANGMAID. I am not sure, Senator, of the origin of the number. Our investments in research are substantially larger than that.

I think in your opening statement you were referring to WHO and the voluntary contributions to the WHO program.

Senator DODD. Right.

Mr. LANGMAID. But the investments in research for malaria alone are approaching $10 million. The investments in research for oral rehydration therapy are several million dollars. The investments for TDR, which is the Tropical Disease Research Program of WHO, is, I think, $2.5 million a year. I do not have the full total. I would be glad to give it to you for the record.

[The information referred to follows:]

AGENCY FOR INTERNATIONAL DEVELOPMENT,
WASHINGTON, DC.
May 17, 1990.

The Honorable Christopher Dodd,
U.S. Senate,
Washington, DC.

Dear Senator DODD: This letter is to followup on your question to Mr. Bradshaw Langmaid during his testimony before the Senate Foreign Relations Committee concerning the Agency for International Development's (A.I.D.) support for vaccine research.

A.I.D. sponsors vaccine research through several of its bilateral programs, as well as through central grants to universities, other government agencies, and international organizations such as the World Health Organization and the International Center for Diarrheal Disease Research in Bangladesh. In fiscal year 1989, A.I.D.

committed approximately $11 million to vaccine developing and testing. In addition, A.I.D. is supporting research on the development and testing of vaccine-related technologies, such as nonresuable disposable syringes, diagnostic tools and other applies research related to the introduction and testing of vaccines in the developing world.

One important element of A.I.D.'s vaccine research portfolio is a 10-year, $12 million participating agencies services agreement with the Department of Health and Human Services. In the past 5 years, this project has supported the development and field evaluation of new vaccines for rotavirus, typhoid, measles, pertussis and pneumonia. The project is guided by a consultative group for vaccine development, which meets twice a year, most recently on March 29–30, 1990.

Enclosed is information about A.I.D.'s health research program, with special attention to A.I.D.'s vaccine research portfolio. I would be delighted to provide additional information, if you wish.

Thank you for your interest in A.I.D.'s vaccine development program.

Sincerely,

R. Ray Randlett,
Assistant Administrator for Legislative Affairs.

U.S. Agency for International Development

INVESTMENTS IN HEALTH TECHNOLOGIES

Why Invest in Health Technologies.—The pattern of death and disease is substantially different in the developed and developing countries of the world. But because most health research and development is directed at developed world markets, health programs in the developing world have yet to benefit from many of the remarkable recent scientific advances.

For that reason, the Agency for International Development (A.I.D.) has a limited and highly focused portfolio of investment in the development and testing of health technologies that are applicable to the disease problems and health resources of the developing world. In cooperation with U.S. universities, corporations, and other government agencies as well as international organizations and other institutions, A.I.D. seeks to bring the best of U.S. science and technology to bear to increase the life expectancy and productivity of populations in the developing world.

Malaria Vaccines.—The World Health Organization estimates that fully 58 percent of the world's population lives in areas where malaria is endemic. The severity of the disease is greatest among groups of people who have acquired little or no immunity. These groups include young children and pregnant women. More than one million children die of this disease each year.

Over the past 20 years, A.I.D. has invested approximately $90 million in the development of vaccines against human malaria. The ultimate goal of the program is the development of a polyvalent vaccine. A.I.D.1s research has focused on the development of vaccine candidates against the preerthyroctic and erthrocytic stages of the parasite and against two species of the parasite, P. falciparum and P. vivax, causing the majority of morbidity and mortality. In September 1987, the governments of the United States and Papua New Guinea signed a bilateral agreement which establishes a field research station to conduct studies necessary for the development of a safe and effective vaccine for use in malarious areas.

A.I.D.-funded researchers have: (1) Developed culture systems to grow liver stage and blood stage parasites in the laboratory; (2) Developed several prototype vaccines for P. falciparum and P. vivax that have been tested for safety and efficacy in monkeys; (3) Developed prototype vaccines for P. falciparum and P. vivax that have been tested for safety and efficacy in human clinical trials in the United States; (4) Applied new biotechnology to diagnostic methods for potential field use; and (5) Developed protocols to test malaria vaccines in endemic areas.

Strengthening Childhood Immunization Technologies.—Every year three million infants and children under five die from diseases that could be prevented with currently available vaccines. Several million more die from diseases where there are candidate vaccines ready for testing in the developing world or vaccines that are downstream in the process of development. In addition to mortality, millions of children carry nutritional and other disabilities resulting from these preventable disease into adulthood, reducing their capacity to learn and function as productive members of the workforce.

In Fiscal Year 1985, A.I.D. launched a major effort to develop technologies to strengthen the delivery of currently available vaccines and to accelerate the development, testing, and availability of new vaccines.

Vaccination-related technology.—In cooperation with and UNICEF, A.I.D. is supporting the Program for Appropriate Technology in Health to develop and field test technologies that address several problems in the delivery of currently available vaccines, including:

Sterilization: The potential reuse of unsterilized needles and syringes is a major concern in immunization programs in developing countries. Several devices have been developed and are now being tested that address this problem: A device that modifies current disposable syringes and renders them inoperable after a single use; A needle block that prevents needles from being reused; A needleless injector with a disposable nozzle.

"Cold Chain:" Since most vaccines deteriorate-rapidly when exposed to heat, they must be maintained in a "cold chain" at correct temperatures until they are used. A.I.D. is supporting the testing of temperature markers for vials of vaccine that will make it easier for workers to monitor heat exposure and ensure that viable vaccine is used to protect children.

DEVELOPMENT OF NEW OR IMPROVED VACCINES

A.I.D is supporting an initiative to develop and test new vaccines to protect against common diseases of childhood. Research is being carried out by the National Institutes of Health, the Centers for Disease Control, -the World Health Organization, the International Center for Diarrheal Disease Research in Bangladesh and a variety of U.S. universities and research institutions. The following diseases are among those addressed.

Measles: Measles is the single greatest killer worldwide. Currently used vaccine is effective only in children over nine months, an age when many children have already been attacked. A.I.D.-funded research in Mexico and Haiti showed that a high-titer version of the Edmonston-Zagreb (E-Z) measles vaccine can protect infants at six months of age. This research has led to a change in global policy on the age of measles immunization and will lead to increased protection of infants.

Pertussis (Whooping cough): A.I.D. has funded a field trial in Sweden of a new acellular pertussis vaccine that 'causes fewer side effects than the vaccine currently in use.

Pneumonoccal pneumonia: Although pneumococcus is the most common cause of pneumonia in young children, the current vaccine has been shown to be effective only in adults. A.I.D. is working with the National Institutes of Allergy and Infectious Disease to develop and test in the Gambia a new conjugate vaccine to be used in young children.

Rotavirus: Rotavirus is the most common cause of serious diarrhea in infants and young children in developed and developing worlds. A.I.D. is supporting field trials of rotavirus vaccines in Venezuela and Peru. A.I.D also supported studies by the Centers for Disease control to assess the interaction between polio and rotavirus vaccines administered simultaneously.

Cholera: Currently available cholera vaccine is only 50 percent effective, protects for only three to six months and has many unfavorable side effects. A.I.D. supported the field test of an oral cholera vaccine at the International Center for Diarrheal Disease Research in Bangladesh. The vaccine was showed to be protective in older children and adults. A.I.D. is now supporting an immunogenicity and safety study of a new genetically engineered oral cholera vaccine in Indonesian children.

Typhoid Fever: Typhoid fever continues to be a major health hazard and its causative agent, the typhoid bacillus, has become resistant to antibiotics in much of the developing world. A.I.D. supported a field test of a new Vi polysacharride typhoid vaccine Nepal. The vaccine was shown to be safe and protective and it has now been licensed. WHO is testing this vaccine in children under 5 years of age.

Improving the Control of Diarrheal Diseases.—More than five million infants and young children are dying each year from dehydration and other effects of diarrheal diseases. A.I.D. has been at the forefront of promoting the worldwide availability and use of simple oral rehydration solutions to prevent the deaths that are due to dehydration.

Appropriately used, the current standard formulation of oral rehydration solution is highly effective. At the same, A.I.D. is supporting research that is assessing alternative formulations that might enhance nutritional and health outcomes and be more readily acceptable and affordable to families in the.developing world. Through support of WHO, the International Center for Diarrheal Disease Research in Bangladesh; Applied Diarrheal Disease Research Project and other groups, A.I.D. is supporting research on:

—Solutions based on complex carbohydrates, such as rice cr maize powder that appear not only to be effective but also reduce the volume, duration and rate of fluid losses during diarrhea. Studies are also being conducted with various amino acids and/or dipeptides and other sugars. Preliminary results show that the addition of L-alanine with the standard formulation is associated with a 43 percent reduction in total stool output and an 18 percent reduction in the duration of diarrhea.

—Many fluids ordinarily available in the home contain the essential ingredients to replace fluid loss at the onset of diarrhea. Studies are establishing that such fluids given early in the course of the disease and in adequate amounts can prevent dehydration in a large proportion of cases. Studies on actual chemical composition and suitable guidelines for administration and effective educational approaches are being developed.

Improving Diagnostics.—Accurate and timely diagnoses are mandatory for the effective treatment of individuals, of course, but also for effective planning and use of health resources on the community level. An accurate understanding of the pattern of disease on a community level is necessary to determine health status and needs and to make the best use of scarce health resources. Correct diagnosis can reduce morbidity and mortality, reduce the waste of expensive drugs, and minimize the development of drug resistance associated with inappropriate treatment. Because of the costs involved and because many diseases of childhood have limited impact today in the United States and other developed countries, the explosion of diagnostic tools has had little impact on the developing world.

A.I.D. supports a project with the Program for Appropriate Technology in Health to develop and test rapid, inexpensive diagnostic tools directed at those communicable disease which exert a heavy toll of death and illness in infants and children. The program is focused on developing and testing diagnostic tools in three areas: malaria, respiratory infections and diarrheal disease. A number of diagnostics are in the development stage and will be field tested in the coming years.

Other Technologies.—A.I.D. also supports the development and testing of other health technologies related to its child survival and other health programs.

—Leprosy: A.I.D. is providing support for a five-year field trial of a new medical treatment for the control and prevention of leprosy. This treatment involves a multi-drug therapy (rifampicin, clofazimin, dapsone), in order to cure leprosy and prevent disability and handicaps, to lower prevalence of the.disease, and to prevent the emergence of drug resistance. In addition, A.I.D. is supporting WHO's Tropical Disease Research program to test a leprosy vaccine in Malawi and Venezuela.

—Birth-related Technologies: A.I.D. is supporting the development and testing of several simple, low cost technologies designed to improve neonatal survival and health. These include a single-use injection device that may make tetanus toxoid vaccine more widely available and easily administered; a simple scale costing less than two dollars to identify low birth weight and therefore high risk infants; a low cost "dipstick" to detect protein in urine during pregnancy; and a single dose dispenser for silver nitrate to prevent blindness in newborns.

—Improved Scales: Proper weight gain in early childhood and pregnancy is an indicator of healthy growth. A.I.D. is supporting the development and testing of more robust, easier to use and less expensive scales to enable health workers to weigh newborns, young children and pregnant women more easily.

Senator DODD. That is R&D money?

Mr. LANGMAID. That is right. It is research money for vaccines and related——

Senator DODD. I appreciate that, and that is very worthwhile. Then in light of all of that, we see in terms of voluntary contributions only $1 million for the application of the new vaccines and the delivery systems.

Mr. LANGMAID. Our total program for child survival is $194 million in 1991. Of that, $40 to $45 million is for just immunizations and service delivery.

Senator DODD. And delivery?

Mr. LANGMAID. Delivery of immunizations. Another $40 million is for ORT, delivery of oral rehydration therapy. The balance is in infant nutrition, breast feeding, birth spacing, and a range of other health delivery systems.

So, frankly, I am not sure I understand what the source of the information is.

Senator **Dodd**. Well, let me make my point a little more specific if I can. I understand that us A.I.D. consulted a group on vaccine development and met as recently as a few days ago and discussed a number of interesting and promising proposals and projects. I am told, however, that the $1 million allocated in voluntary contributions is not enough to fund even one field trial of one new vaccine to enhance child survival.

I wonder if you might provide for the committee as soon as possible a list of all the projects discussed at that meeting and a summary of the promise that they hold for enhanced child survival?

Mr. **Langmaid**. I am not familiar with that. That is only one of our projects that deals with vaccine development. We fund that committee. That is an A.I.D.-funded activity to bring all the parties together. Others also contribute to the actual development of the vaccines.

I will glad to find the information for you.

Senator **Dodd**. At any rate, if you would get that for me I would appreciate it as well.

[The information referred to follows:]

VACCINE DEVELOPMENT PROJECTS

There were six concept papers and seven full proposals submitted for review at the March 1990 meeting of the Consultative Group on Vaccine Development. The Consultative Group recommended that the Agency for International Development (A.I.D.) fund four out of the seven proposals submitted and that full proposals be invited for five of the six concept papers reviewed. The total cost for funding of the recommended proposals is $1.1 million.

Proposals recommended for funding by the Consultative Group

Proposal 1: E-Z and AIK-C Immunogenicity Study for Measles

Background: Measles is the single greatest killer of children worldwide. Currently used vaccine is effective only in children over nine months of age when many children have already been attacked and died. A.I.D.-funded research in Haiti and Mexico has demonstrated that a high titer version of the Edmonston-Zagreb vaccine can protect infants from measles at six months of age. This research has led to a change in global policy reducing the recommended age of measles immunization with this strain of vaccine.

Proposed Research: The new proposal intends to go one step further and to study medium and high doses of the E-Z measles vaccine in still younger (four- and six-month old) infants and tc see if a lower—and thus less expensive—dose would be as effective. In addition, the proposed study will include a new strain of measles vaccine, the AIK-C Vaccine which is currently produced by the Kitasato Institute and the Merieux Institute. Preliminary results suggest that this vaccine may be as effective as the E-Z vaccine at lower doses and would thus be safer to the infants and could provide substantial savings in vaccine costs.

Proposal 2: Maternal Immunization with pneumococcal and H.influenzae type b (Hib) vaccines

Background: Pneumococcal and Rib infections are the leading causes of serious disease among infants and children under the age of two years. The diseases caused by these two organisms include: meningitis, pneumonia, arthritis and osteomyelitis. Current pneumococcal vaccine is not effective in children below two years of age.

Proposed Research: Immunization of mothers before the birth of their infants may provide an alternative method for providing passive immunity for young children. Maternal immunization should induce a good immune response in the mother. These antibodies, passively transferred to the infant by the mother, could provide protective levels for the first six months of life. With 2-3 doses of one of the new Rib conjugate vaccines after birth, the infant should be adequately immunized before it reaches six months of age.

Proposals No. 3 and No. 4. Meninococcal Conjugate A & C Vaccine

Background: Meningococcal meningitis represents a worldwide problem. It occurs in both endemic and epidemic forms. Endemic disease occurs with an incidence of 1-5 cases per 100,000 population per year, mainly in infants. Epidemic disease has an incidence of about 500 per 100,000 per year and occurs often in older children. Current vaccines against bacterial meningitis are not immunogenic in infants.

Proposed Research: The long-term goal of these two research proposals is to stimulate manufacturers to develop a multivalent vaccine against the most important encapsulated bacteria causing meningitis in children, namely theN. meningitidis group A & C.

Proposals not recommended for funding

A third Meningococcal Conjugate A&C Vaccine project.

An epidemiological study of Typhoid Fever in the Eastern Highlands of Papua, New Guinea.

The development of a single dose, slow-release tetanus toxoid. (This project was recommended but funding is not needed until next fiscal year).

Five of six Concept Papers reviewed by the CGVD were recommended to be submitted as full proposals:

POLIO CONCEPT PAPERS

Background: The fight against polio has been waged successfully in many regions of the world as a result of the use of Inactivated Polio Vaccine (IPV) and live Oral Polio Vaccine (OPV). Both vaccines are equally effective in reducing the incidence of natural poliomyelitis. kowever, there are advantages and disadvantages to the use of each preparation.

Proposed Concepts: Concept papers submitted to the CGVD were designed to evaluate variables in dosing regimens to better understand and deliver the best vaccine in the most efficient manner; i.e., dosages, repeated exposures, vaccine variants, logistics of combining with measles vaccine, and the effects of various intervals of vaccine administration. The following were recommended for further elaboration:

(1) Comparison of the Immunogenicity of Oral Polio Vaccine (OPV) During Vaccination Campaigns vs. Routine Programs.

(2) Evaluation of Interval Between Doses as an Important Factor Influencing Rates of Serpconversion Following OPV.

(3) Comparison of the Immunogenicity of U.S. Formulated OPV vs. Standard UNICEF-Purchased OPV.

MEASLES CONCEPT PAPER

Background: A measles elimination goal has been recently established for the Caribbean. The strategy for attainment of this goal includes a two dose measles vaccination schedule. While several other countries, including the U.S. have recommended two doses of measles vaccine, the efficacy of the second dose of measles vaccine for persons who do not respond to the first dose is not known. If persons who do not respond to the first dose of vaccine do not respond to the second, the two dose schedule will have little effect on immunity levels.

Proposed Concept: The concept paper proposes to determine the response to revaccination in children who do not respond to the first dose of measles vaccine. The following paper was recommended for further elaboration.

(4) The Study of Two-Dose Measles Vaccination in the Caribbean.

Measles, Mumps, Rubella (MMR) Concept Paper

Background: In 1988, the Pan American Sealth Organization member countries in the Caribbean region declared their intention to eliminate measles by 1995 through a program of maintaining high immunization rates, active surveillance, and investigation and control of outbreaks. To insure the success of this effort, a knowledge of the overall and age-specific proportions of susceptibilities and the age-specific serologic responses of young children to measles-mumps-rubella vaccine will be crucial for optimizing effectiveness of vaccination in disease elimination efforts, as well as for targeting interventions and planning future vaccination strategies.

Proposed Concept: The investigation proposed is a study of seroconversion rates to MMR among otherwise comparable groups of children from countries that have been routinely vaccinated with MMR at 9, 12, or 15 months. The following Concept Paper was recommended for further elaboration:

(5) Caribbean Region Measles, Mumps, and Rubella Vaccine Seropositivity Study

The Concept Paper recommended for full submission as a full proposal was:

(6) A Comparative Trial of OPV vs. enhanced-potency Inactivated Polio Vaccine (eIPV) at the Time of Measles Vaccination at 6 and/or 9 Months of Age.

Senator DODD. I think you have answered that, but, Mr. Bolton, this question has to do with the conditional support for the summit. Is it possible that we would have the administration providing conditional support for the convention and the President still attend the summit or even if you came out and opposed the convention? Are these issues linked?

Mr. BOLTON. I do not believe they are linked. I think that the decision on the President's participation in the summit will be made based on the progress made in the planning process leading up to the summit as well as his schedule. I mean, one of the sort of facts of Presidential scheduling is he is going to be up there to address the General Assembly at a time relatively close to the time of the summit, and it would mean going back again within about a week's time.

Things being as they are, whether that is going to be possible I do not know, and I certainly would not want to commit one way or another at this point.

As I mentioned before you came back, I have spoken with Secretary Baker on precisely the question of the summit and whether the President will participate. He is very aware of the issue, and when the time becomes appropriate we will forward a recommendation.

Senator DODD. All right, thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

I would just like to observe that if there was anybody in the Congress who has taken a lead in children's matters or in this committee or in the Congress as a whole, it is the Senator from Connecticut, Senator Dodd. We are very conscious of his role.

Thank you both for being with us.

We will now proceed to Mr. James Grant, executive director of the United Nations Children's Fund. My renewed apologies to you. It is always good to see you, and please proceed.

STATEMENT OF JAMES P. GRANT, EXECUTIVE DIRECTOR, UNICEF, NEW YORK

Mr. GRANT. Thank you, Mr. Chairman. It is a great pleasure to be back before this committee after a period of some years. I welcome this opportunity to provide information on the current state of the world's children. With your permission, I have a longer prepared statement which I would like to put in the record, if I may.

The CHAIRMAN. It will be entered in full.

Mr. GRANT. Thank you.

I welcome the encouraging remarks that you, Mr. Chairman, have given us at this hearing and the remarks made earlier by Senators Dodd and Bradley. For us, from our vantage point in UNICEF, this is a very open moment in world history for children. We all know the negatives. Many of them were referred to by Senator Bradley when he spoke, the fact that more than one-quarter of a million children died last week and that if current conditions prevail more than 150 million children will die in the 1990's, some two-thirds of them from readily preventable causes. It is really kind of an obscene moment to think that here we had yesterday some 25,000 children that died completely unnecessarily.

Second, we have new oncoming problems such as A.I.D.S. We just finished a rough study of 10 countries in Africa where, looking ahead over the next 10 years, you can foresee some 2.5 million mothers dying in these countries, another 2.5 million children dying in these countries, and some 10 million A.I.D.S orphans emerging.

Senator Bradley referred to the debt problem, the reverse flow, the fact that some $50 billion flowed from developing countries to the industrial countries last year. In Latin America and Africa it is very hard to move forward with that problem. You had a hearing here on children in war and the problems there. At the moment probably in all the wars going around the world, for every soldier killed there are at least 15 to 20 civilians that die, the great majority of them children. In the Sudan in 1988, over 6,000 children died in the war, some 250,000 civilians, more than 150,00 children died as a consequence of that conflict.

As we look around in the developing world we see that in 1988, the last year for which we have figures, roughly half of all governmental expenditures went either for military expenditures, some $145 billion, or for debt servicing. This is a pretty negative set of facts.

On the other hand, at this particular moment there is more potential, more light, I think, on the horizon than ever before in history. One can tick them off fairly readily. First, of course, is the incredible change in the world's political military scene with the easing of the cold war that allows us to think seriously now of the world, giving first priority to global problems in the future.

Second, as the witnesses before me mentioned and Senator Bradley underlined first, we have seen in the last 5 years the potentials of the child survival and development revolution, the combining of recent technological developments with a new capacity to communicate through radio, television, schoolteachers, nongovernmental organizations, religious groups, a capacity to communicate that did not exist a few years ago.

You were just discussing the breakthroughs on immunization. That breakthrough is frankly 10 or 15 percent technology and, I would say, 80 percent the new capacity to communicate. How do you persuade villagers in Zaire and Bangladesh who are illiterate to bring their children in to get immunized five or six times before age 1? It is a tough task, and here it has been the fact that we have been able to get total mobilization in countries for education that has given us good hope.

We are able to say now that some 10,000 children did not die yesterday because of these initiatives. As I said, we still have some 40,000 children dying, but we do have the know-how now to prevent most of these. As Senator Bradley said, the cost was substantial to get a health breakthrough in the 1990's, $2.5 to $3 billion per year. It is a lot of money from all sources. On the other hand, it is what the world spends on the military in 1 day.

There was early in March a most hopeful meeting in Jomtien, Thailand, the world's most effective conference ever on basic education, so that in this context we now can talk about universal primary education.

Fourth, we have seen the summit for children. You have been discussing the prospects for the summit, and we have the prospects for the convention.

When one puts all these together, I think one does see the potential for truly major progress.

One final comment on the agenda for the summit. We would seek four major points to that agenda. First, to emphasize doing the doable. We now know that it should be possible to save some 50 million children's lives in the 1990's, to get by the end of the decade virtually all children into school, and the costs are very manageable. Really, what is required is leadership. This would be a central objective.

Second, of course, would be to get progress on the convention, to get at least 20 countries to ratify that would put it into effect.

Third, to draw attention to the difficult problems that need attention but cannot be readily solved: street children; A.I.D.S; children in wartime circumstances; and such matters as the impact of environment on children, debt on children, drugs on children for which there are other forums in which they can be addressed.

Finally, we would see the summit as having hopefully—and it is a dream, in a sense—achieving what Senator Dodd was saying earlier, that truly the world would give first claim to children on resources for the cycles of survival, protection and development.

We did have a striking illustration in World War II of what that means when the U.K. went into war. Churchill said the war was about the future for children and that it would make no sense to go to this war and to sacrifice Britain's children in the process. So, he said that even though one-half of Britain's GNP was going to be devoted to war, they were going to give a first claim on children. At the end of the war, the health of British children and British mothers was better than at the beginning because of this kind of attention.

We would hope that this basic principle could be established, that in bad times as well as good first claim will be given to children. This would be a historic breakthrough.

Thank you.

[The prepared statement of Mr. Grant follows:]

PREPARED STATEMENT OF JAMES P. GRANT

Thank you, Mr. Chairman, for the opportunity to appear before you this afternoon to discuss the well-being of the world's children. I am pleased to be in the company of some old friends and field partners of UNICEF without whom the great progress in child survival to which I will refer momentarily would not have been possible.

AN OPEN MOMENT

It seems most fitting to me that a hearing on the current state of the world's children be held before the Committee on Foreign Relations, which has unique expertise on the implications of dynamic global change. Mr. Chairman, the vast changes occurring in the world these days, the great new possibilities for humankind presented by these changes and the challenges which accompany them, mirror the circumstances for children and have great implications for them as we move forward into the 1990's. We, in the child survival and development business are presented simultaneously today with clear successes in some areas, extraordinary potential for the future, and the long shadows cast by debt, military spending, and environmental degradation which threaten our work and the people we serve. It is a mix of the best of times and the worst of times. But, much more than that it is a special "open moment" during which we must seize the opportunities the times present if we are to ensure that the century does not end in a decade of decline and despair for half the nations of the world.

Mr. Chairman, as our hopes are raised on one front, the situation on another requires our urgent attention. In many countries poverty, child malnutrition, and ill health are advancing again after decades of steady retreat. And although the reasons are many and complex, overshadowing all is the fact that the governments of the developing world as a whole have now reached the point of devoting half their total annual expenditures to the maintenance of the military and the servicing of debt. These two essentially unproductive activities are now costing the nations of Africa, Asia, and Latin America almost $1 billion every day, or more than $400 a year for each family in the developing world.

Debt and interest payments in 1988, the latest year for which figures are available, totaled $178 billion—three times as much as all the aid received from the industrialized countries. Military spending in the developing nations amounted to $145 billion—an annual expenditure which would be enough to end absolute poverty on this planet within the next 10 years, enabling people everywhere to meet their own and their children's needs for food, water, health care, and education.It has become obvious to us that for much of the world, some significant reduction in debt servicing and defense spending has become the sine qua non of a resumption in human progress.

But as we enter the 1990's, the winds of political change are again beginning to stir the human condition. And the most important of the changes they are bringing is the thaw in the cold war. More rapidly than any of us could have imagined, the result has been a defusing of regional tensions and the beginning of what may become a fundamental reexamination of present levels of military expenditure.

Armed conflicts still scar the surface of the planet. But fewer wars are being fought in the world at this moment than at any time in the last half century.

It is therefore not impossible to think in terms of an outbreak of peace—with far-reaching consequences for every other aspect of the human endeavor, particularly children. At present, total military expenditures, in both industrialized and developing countries, easily exceed the combined annual incomes of the poorest half of humanity. The diversion of even 5 or 10 percent of this vast sum would be enough to reaccelerate progress toward a world in which the basic human needs of all were met.

In particular, it is the concern of UNICEF to argue that the needs of children, and particularly of those millions of children who are still living and dying in malnutrition and ill-health as the 20th century draws to a close, should have first claim on our concerns and capacities, and on the even greater resources which may gradually be released if the world were indeed to move away from its long and wasteful preoccupation with war.

Mr. Chairman, the moral dimension of this argument grows ever stronger along with the capacity of our societies to prevent—disease and save lives by the millions. It is the greatest condemnation of our times that more than a quarter of a million small children should still be dying every week of easily preventable illness and malnutrition. Every day measles, whooping cough and tetanus, all of which can be prevented by an inexpensive course of vaccines, kill almost 8,000 children. Every day diarrheal dehydration, which can be prevented at almost no cost, still kills almost 7,000 children. Every day pneumonia, which can be treated by low-cost antibiotics, kills more than 6,000 children. Every single one of those deaths is the death of a child who had a personality and a potential, a family and a future. And for every child who dies, several more live on with malnutrition and ill health and are thereby unable to fulfill the mental and physical potential with which they were born. Death and suffering on this scale is simply no longer necessary; nor acceptable. Our morality must march with our capacity.

Mr. Chairman, as is often the case, the moral argument is ultimately inseparable from the practical. The long-term consequences of poverty will affect us all increasingly as we move toward a new millennium. Malnutrition means poor physical and mental growth, poor performance at school and at work; high child death rates means high birth rates and rapid population growth; lack of education precludes people from contributing fully to, or benefiting fully from, the development of their communities; hopelessness and the denial of opportunity erodes self-respect and sows the seeds of almost insoluble social problems; and finally, it is becoming increasingly obvious that the extremes of deprivation preclude environmental sensitivity, forcing millions to overexploit their surroundings in the name of survival.

A major renewal of effort to protect the lives and the development of children, and to end the worst aspects of poverty, would therefore be the greatest long-term investment that the human race could make in its future economic prosperity, political stability, and environmental integrity.

Mr. Chairman, we believe the time to make that investment is now. One and one-half billion children will be born in the decade of the 1990's. Toward the end of that decade, a historic turning point will be reached as the number of children being born into the world finally reaches its peak and begins to decline. It is UNICEF's most fundamental belief, as the world struggles to free itself from the old preoccupation with war, that there could be no more important new preoccupation than protecting the lives and development of the largest generation of children ever to be entrusted to mankind.

THE RIGHTS OF THE CHILD

Mr. Chairman, as you are aware, the closing years of the 1980's saw a number of new developments and practical achievements suggesting that a new priority for children may be emerging. In both industrialized and developing countries there is clearly a growing recognition that the physical, mental, and emotional needs of the young are a legitimate matter of concern for a nation's political leaders. The President of the United States, for example, has expressed the belief that "our national character can be measured by how we care for our children." And in making the same point about the world's responsibility for its children, President Mikhail Gorbachev has stated simply that "Mankind can no longer put up with the fact that millions of children die every year at the close of the 20thtieth century."

The new priority for children was underscored by the unanimous adoption by the U.N. General Assembly last fall of the Convention on the Rights of the Child. Setting minimum international standards of protection for children's survival, health, and education, as well as providing explicit protection against exploitation at work, against physical or sexual abuse, and against the degradations of war, the convention is the first agreement among the nations of the world on the legally defined rights of the child. Like many such documents in history, it is the statement of an ideal which few if any nations have so far achieved. But as more and more nations ratify its text and begin to enact its provisions into national law, and as the press and public become more concerned to ensure its observance, it may gradually become the standard below which any civilized nation, rich or poor, will be ashamed to fall.

Mr. Chairman, as an American I was very pleased to learn some 2 months ago that a resolution had been introduced in the Senate (and a companion in the House) expressing the bipartisan interest of the Senate in the rights of the child and urging the President to forward the convention to the Senate for consideration of ratification. We very much appreciate your and Senators Bradley, Lugar, Dodd, and Boschwitz leadership in this regard. We have followed with great interest as well the development education work of InterAction in support of the convention. Your combined efforts have brought the convention to the forefront of child policy discussions in this country. I am happy to report that scores of nations are also moving forward toward ratification of the convention and we may reach soon the 20 countries necessary to elevate the convention to the status of international law.

WORLD SUMMIT FOR CHILDREN

Mr. Chairman, another powerful manifestation of the emerging global priority of children is the realization of the upcoming World Summit for Children, to be held on September 29–30, 1990, at the U.N. headquarters in New York. As you may recall, UNICEF issued the call for a World Summit for Children in December 1989 when it first became clear that the "winds of change" were upon us and that the needs of children were indeed the subject of growing concern among the world's leaders. UNICEF proposed a World Summit for Children as a unique means for securing children a level of consideration and protection essential to their survival and healthy development as the next generation of nations. The overall aim is to put children and their families high and firmly onto the agenda of the 1990's.

The rightness and timeliness of our call was affirmed several months later by the decision of Presidents Mubarak of Egypt, Salinas of Mexico, and Traori of Mali and Prime Ministers Benazir Bhutto of Pakistan, Carlsson of Sweden, and Mulroney of Canada to convene the first ever East-West-North-South World Summit for Children. Acting on their behalf, United Nations Secretary General Javier Perez de

Cuellar has issued the invitation to all heads of state or government to meet this coming September 29 and 30 in New York. UNICEF has been asked to serve as the Secretariat. A 23-member Planning Committee, which includes the United States, has met already on several occasions to establish the agenda of the summit.

Mr. Chairman, I believe that there are compelling reasons for the participation of all the world's leaders, including President Bush, to play an active role before, during, and after the summit to forge a worldwide consensus for spearheading a virtual revolution in child survival and development. I referred earlier to the largest generation of children ever to be born into the world during the 1990's. If present child mortality levels continue in the decade about to begin, some 150 million children will die before they reach their fifth birthday. Many times that number will not develop normally in mind or body because of frequent ill-health, persistent malnutrition, absence of basic community services, lack of early stimulation, illiteracy and lack of basic learning skills inherited from parent to child, and the absence of both challenge and opportunity within their lives. Certainly, this deserves to be treated as one of the most important issues of the 1990's because of the sheer scale of the human tragedy it entails and because of the fundamental disinvestment in development which it represents.

The new factor inviting dramatic action at this time, however, as the last years of the 1980's have demonstrated, is that the great majority of those children could now be protected at an affordable cost. But moving from "could" to "will" depends on a new order of awareness of the possibilities and a correspondingly new commitment to do what can now be done. No one seriously debates the importance of protecting the lives and health of children. But as so often happens at all levels of human affairs, the immediate has subverted the important. The illness and malnutrition of literally hundreds of millions of children, and the resulting deaths of approximately 40,000 each day, never seems to be considered an immediate issue. That is why any one major airplane crash in the decade of the 1990's will almost surely attract more attention than the deaths of 150 million young children as a consequence of gross poverty and underdevelopment. And that is why it is sometimes necessary to consciously and seriously create a device for reasserting the priority of the important over the immediate.

Mr. Chairman, it is actually quite simple to summarize what we hope a Summit for Children will accomplish during the 1990's. Continuation of present trends and initiatives to protect the health of children could be expected to save the lives of possibly 25 million of those 150 million. A successful summit could so improve the health of children as to double the lives saved to more than 50 million, and to reduce population growth as well as parents become confident that their first children will survive.

It is not so much the business to be transacted by the leaders of the world sitting at one table to discuss the needs and opportunities for children that will make the difference in deaths averted and lives built, but the very fact that the leaders are doing so. Their attention to the agenda for children—to the largest generation ever to live on earth—would give new credence and immediacy to that agenda, establishing goals for public policy in all areas impinging on child survival, child health, child learning, and contemporary threats to the erosion of childhood. By identifying with the cause of children and family life, national leaders will establish a new priority to be attached children in national policy and launch an unprecedented mobilization globally and within each country, galvanizing the collective strength of government and public institutions, of media and business, of professional associations and voluntary movements, of religion and moral leadership.

Of course, Mr. Chairman, the summit must ultimately lead to specific actions. In this regard, we believe the summit will facilitate universal agreement on a set of useful and do-able child related goals to be achieved by the year 2000. We believe that if such goals were few in number, realistic, and addressed to universal concerns, then they could be extremely powerful levers for improving the lives of children over the next 10 years. The evidence for this is the highly effective use which has been made of the goal of universal immunization by 1990 (helping to lift immunization coverage from approximately 10 percent in 1980 to almost 70 percent in 1989). Within the context of these global goals, the summit can be a stimulus for individual national goals and commitments—whether, by developing countries, plans of action to achieve the particular measurable goals, or, by industrialized countries, to undertake particular commitments to assist countries in achieving the larger goals.

THE PRINCIPLE OF "FIRST CALL"

Mr. Chairman, one of the greatest priorities for UNICEF and its partners in the 1990's, corresponding to one of the greatest needs of children, is the establishment of the principle that protecting the lives and the normal development of the very young should have first call on society's concerns and capacities. The equally important extension of that principle is that children should be able to depend upon that commitment in good times and in bad. In UNICEF's view the establishment of that principle as a tenet of our common civilization could do more than anything else to change the story of what will happen to many millions of the world's children during the new decade and the new century which will follow. Such a change in the global ethic for children will not be easy to achieve. We believe that the espousal of that principle by the World Summit for Children is essential to that task.

THE SPECIFIC OPPORTUNITIES FOR CHILDREN

Mr. Chairman, as I noted earlier, more than 100 million children will die from illness and malnutrition in the 1990's at present trends. The causes of those deaths can be listed on the fingers of one hand. Most will die of dehydration caused by diarrhea, or of pneumonia, or tetanus, or measles, or whooping cough. These five common illnesses, all relatively easy and inexpensive to prevent or treat, will account for over one-half of all child malnutrition in the decade ahead.

Low-cost vaccines, oral rehydration therapy, and antibiotics, could between them prevent most of this quiet carnage. And the time is overdue for these basic scientific advances to be put at the disposal of the whole human family rather than being restricted to the minority in the industrialized nations. The vaccines cost less than $1 per fully immunized child. Sachets of oral rehydration salts cost approximately 10 cents each. A course of antibiotics costs approximately $1. It is not only a question of money and technology. It is also a question of the delivery systems and the infrastructure, the management skills and the training, and often most important today, the use of all possible channels to inform and support parents in applying today's knowledge. But to put the problem into an overall perspective, the additional costs, including delivery, of a program to prevent the great majority of child deaths and child malnutrition in the decade ahead might reach approximately $2.5 billion per year by the mid-1990's, equivalent to what the world spends on the military in 1 day, or the amount spent in 1 year by the Russians on vodka.

Today, these children are not too difficult to reach. Virtually all communities, even in the remote areas of developing countries, are now linked with metropolitan centers via radio and, increasingly, television, newspapers and video-cassette recorders (VCR's). Although actual use is still limited, basic education and health services are within reach of virtually all communities. The voices of religion, NGO's, commercial advertisements, and official messages now reach unprecedented numbers of people. This capacity for communication, if combined with the low-cost, high-impact interventions in maternal and child health, water supply and sanitation, agriculture and nutrition, basic education and child development, is capable of producing a virtual revolution in the survival, development and protection of children.

Mr. Chairman, with the promise of the upcoming Summit for Children, ratification by many countries of the Convention on the Rights of the Child, and attendant acceleration of child survival and development programs, UNICEF and its partners can strive for a number of dramatic but readily achievable goals in the 1990's, including:

- The eradication of polio, which currently cripples an estimated 200,000 children a year;
- The elimination of iodine deficiency disorders, which cause severe mental and physical retardation in some 3 million people—mostly children—and affect 200 million people who suffer from goiter;
- The elimination of Guinea worm disease, which currently afflicts and incapacitates 20 million people, mostly women and children in Africa;
- The elimination of neonatal tetanus, which kills over 750,000 children and many thousands of young women each year;
- The virtual elimination of measles—the largest single vaccine-preventable disease—which kills 1.5 million children and exacerbates malnutrition among millions more every year;
- The virtual elimination of vitamin A deficiency, which totally blinds or impairs the eyesight of 500,000 children and contributes to the deaths of at least 100,000 more every year;

- A 50-percent reduction in deaths caused by diarrheal diseases—the single largest killer of children in the world—which are responsible for 4 million child deaths per year;
- A 50-percent reduction in deaths caused by acute respiratory infections—the second largest killer of children in most developing countries—which are responsible for some 3 million child deaths per year;
- A significant increase in educational opportunities for 100 million children and 960 million adults, most of them girls and women, who at present have no access to basic education and literacy;
- Access to clean drinking water and safe sanitation for over 1 billion people in the developing world who are presently deprived of these basic amenities.

The elimination or drastic reduction of diarrheal diseases, ARI, and vaccine-preventable diseases alone could prevent some 50 million child deaths in the world in this decade.

BASIC EDUCATION

Mr. Chairman, I have referred in my statement on a number of occasions to the lack of access to basic education and literacy for women and girls. Of course, education is a basic human right. However, we now know of the strong correlation between basic education and birth rates and child mortality and between achievement of literacy, numeracy and basic life knowledge, and economic growth. It is noteworthy that countries and regions with the most rapid and healthy economic growth of the post World War II era, e.g., South Korea, Singapore, Hong Kong, and Japan have all given early priority and attention to basic education, all have achieved universal education at an early date.

With these correlations in mind, and given the decline in the last several years in the rate of primary school enrollment in a number of sub-Saharan countries leaving an unconscionable number and proportion of the world's children still without access to basic learning opportunities, the World Bank, UNICEF, UNESCO, and UNDP recently have agreed to a major expansion of our annual commitments to basic education. In this regard, "Basic Education for All" and its cutting edge, achievement of universal primary education, have come to be recognized as the counterpart to the "Health for All" movement which has primary health care as its leading edge. As you may know, Mr. Chairman, the World Bank, UNICEF, UNESCO, and the UNDP took the lead in association with USAID and 17 other cosponsors in convening a major global education conference in Jomtien, Thailand, in early March to determine how to move our programs forward together over the next 10 years in pursuit of these basic education goals. At the conference, our organizations agreed to spearhead a special effort to ensure that by the year 2000 virtually all children can achieve a common early level of proficiency in literacy, numeracy, and basic life skills. We agreed that to assure that the least-developed or low-income countries effectively committed to this goal of achieving universal primary education by the year 2000 will not lack for essential external inputs of papers, textbooks, and other basic learning materials. We will all support and promote the use of formal primary schools, nonformal programs, and the use of the media and nongovernmental organizations in reaching this goal.

CONCLUSION

Mr. Chairman, in closing I would like to express again on behalf of the whole of UNICEF's family our thanks to you and to the members of this committee for your leadership and support with regard to the World Summit for Children and the Convention on the Rights of the Child. As you know, I believe that a convention in force as international law and a successful World Summit for Children are among the best gifts we can leave the children of the 21st century.

I would be happy to answer your questions.

[The New York Times, Dec. 13, 1989]

U.N. Plans Summit Talks on Saving Children

(By Paul Lewis)

United Nations, Dec. 12, 1989.—A "world summit for children" is being planned here next September to mobilize money and resources to save the lives of 50 million children, who the authorities predict would otherwise die in the next decade.

The gathering has been scheduled for Sept. 29 and 30, and timed to coincide with the opening of the 1990 United Nations General Assembly, when world leaders traditionally gather in New York.

James P. Grant, the executive director of the United Nations Children's Fund, known as UNICEF, said in a recent interview that between 40 and 60 heads of state or government are likely to attend the session. He said invitations to the meeting would be issued later this month by leaders of Canada, Egypt, Mali, Mexico, Pakistan, and Sweden, the sponsors.

"This will be the first ever North-South-East-West Summit," Mr. Grant said, adding that both President Bush and President Mikhail S. Gorbachev were expected to take part.

Mr. Grant said the goal of the meeting would be to obtain a top-level political commitment to save children in the 1990's, particularly through the redirection of military and defense savings resulting from the easing of East-West tensions and the winding down of regional conflicts.

In its annual report today, UNICEF says that spending an additional $2.5 billion a year on proven health maintenance techniques would save the lives of 50 million more children under the age of 5 in the 1990's.

This would reduce the number of children dying each year from preventable diseases from some 14.5 million at present to about 8 million by the year 2000, the report says.

UNICEF says that such a sum of money while large, equals only 2.5 percent of the roughly $145 billion spent by developing countries on armaments each year and is equivalent to what the American tobacco industry spends each year advertising cigarettes.

Welcoming the meeting, Representative Tony P. Hall of Ohio, the chairman of the House of Representatives Select Committee on Hunger, said toady that it "will focus on the most solvable of the world's problems. The rewards from a successful summit would be tremendous."

Mr. Grant defended his goal of saving 50 million children's lives in the 1990's as technically feasible through inexpensive modern techniques to fight dysentary, diphtheria, and other diseases that are the main killers of young children in the developing world.

But he also argued that current efforts to stabilize world population and reduce human pressure on its resources would not succeed until infant mortality rates fall further in the developing world and parents are assured that their children will survive.

"Reducing infant mortality rates in the last decade of this century will produce lower rates of population growth in the next," Mr. Grant said.

In its survey, titled "The State of the World's Children," UNICEF says governments of the developing world are now devoting one-half their annual resources to military spending and the servicing of foreign debts.

The report says that as a result the condition of children is deteriorating throughout the developing world as living standards fall and governments cut back on social spending in an attempt to make their economies more efficient at the urging of aid donors and international financial institutions like the World Bank.

In the world's poorest countries, the report says, spending on education has declined by about 25 percent in the last decade.

UNICEF also says the position of poor children is deteriorating in both the United States and Britain, despite a decade of steady economic growth. The number of homeless families is rising in both countries while in the United States the number of children living in poverty has risen by 3 million in the last 10 years, from 11 percent of the child population to over 15 percent today. In New York City, 40 percent of the children were found living in poverty.

GOALS FOR CHILDREN AND DEVELOPMENT IN THE 1990's

The U.N. Convention on the Rights of the Child embodies the most comprehensive listing of goals for the well-being of children. Full implementation of the convention is the ultimate objective of programs for children and development. The following goals, derived through a process of extensive international consultation, are essential means to achieve that ultimate objective.

I. MAJOR GOALS FOR CHILD SURVIVAL, DEVELOPMENT, AND PROTECTION

Between 1990 and the year 2000, reduction of infant and under-5 child mortality rate in all countries by one-third or to 50 and 70 per 1,000 live births respectively, whichever is less.

Between 1990 and the year 2000, reduction of maternal mortality rate by one-half.

Between 1990 and the year 2000, reduction of severe and moderate malnutrition among under-5 children by one-half.

Universal access to safe drinking water and to sanitary means of excreta disposal.

By the year 2000, universal access to basic education and completion of primary education by at least 80 percent of primary school age children.

Reduction of the adult illiteracy rate (the appropriate age group to be determined in each country) to at least one-half its 1990 level with emphasis on female literacy.

Improved protection of children in especially difficult circumstances.

II. SUPPORTING/SECTORAL GOALS

1. Women's health and education

Special attention to the health and nutrition of the female child, and pregnant and lactating women.

Access by all couples to information and services to prevent pregnancies which are too early, too closely spaced, too late or too many.

Access by all pregnant women to prenatal care, trained attendants during childbirth and referral facilities for high-risk pregnancies and obstetric emergencies.

Universal access to primary education with special emphasis for girls, and accelerated literacy programs for women.

2. Nutrition

Reduction in severe as well as moderate malnutrition among under-5 children by one-half of 1990 levels.

Reduction of the rate of low-birth weight 92.5 kg. or less) to less than 10 percent.

Reduction of the iron deficiency anemia in women by one-third of 1990 levels.

Virtual elimination of iodine deficiency disorders.

Virtual elimination of vitamin A deficiency and its consequences, including blindness.

Empowerment of all women to exclusively breast-feed their child for 4 to 6 months and to continue breast-feeding with complementary food well into the second year.

Growth promotion and its regular monitoring to be institutionalized in all countries by the end of the 1990's.

Dissemination of knowledge and supporting services to increase food production to ensure household food security.

3. Child health

Global eradication of polio myelitis by the year 2000.

Elimination of neonatal tetanus by 1995.

Reduction by 95 percent in measles deaths and reduction by 90 percent of measles cases compared to preimmunization levels by 1995, as a major step to the global eradication of measles in the longer run.

Maintenance of a high level of immunization coverage (at least 85 percent of children under 1 year of age) against diphtheria, pertussis, tetanus, measles, poliomyelitis, tuberculosis, and against tetanus for women of childbearing age.

Reduction by 50 percent in the deaths due to diarrhea in children under the age of 5 years; and 25-reduction in the diarrhea incidence rate.

Reduction by one-third in the deaths due to acute respiratory infections in children under 5 years.

4. Water and sanitation

Universal access to safe drinking water.

Universal access to sanitary means of excreta disposal.

Elimination of Guinea worm disease (dracunculiasis) by the year 2000.

5. Basic education

Expansion of early childhood development activities including appropriate low-cost family and community-based interventions.

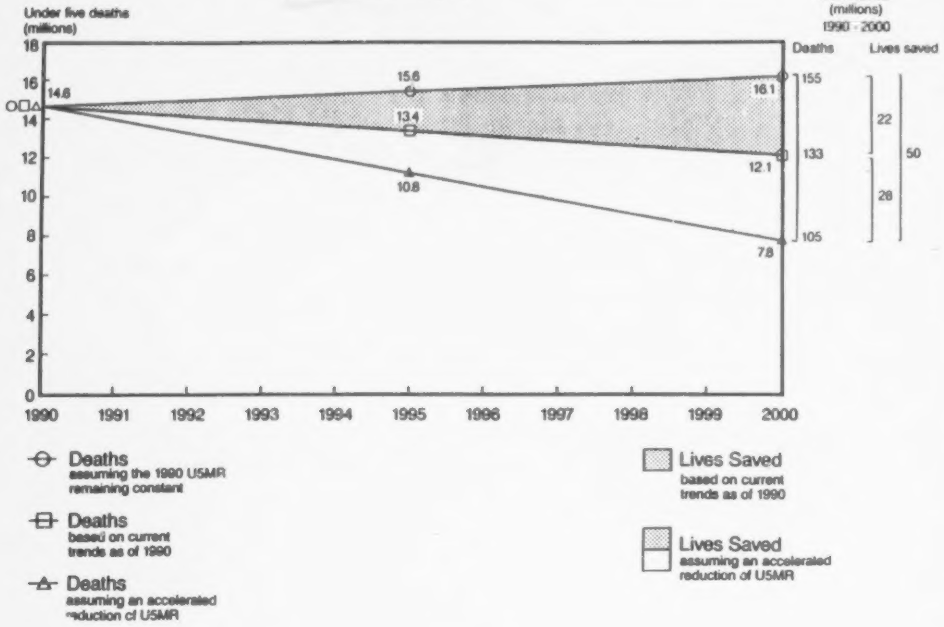
Universal access to basic education, and achievement of primary education by at least 80 percent of primary school age children through formal schooling or nonformal education of comparable learning standard, with emphasis on reducing the current disparities between boys and girls.

Reduction of the adult illiteracy rate (the appropriate age group to be determined in each country) to at least one-half its 1990 level, with emphasis on female literacy.

Increased acquisition by individuals and families of the knowledge, skills, and values required for better living, made available through all educational channels, including the mass media, other forms of modern and traditional communication, and social action, with effectiveness measured in terms of behavioral change.

6. Children in difficult circumstances

Provide improved protection of children in especially difficult circumstances and tackle the root causes leading to such situations.



ESTIMATED CHILD DEATHS AND LIVES SAVED
1990 - 2000

[The Baltimore Evening Sun, Apr. 5, 1990]

NEW PATHS IN SUMMITRY

(Editorial)

Summit meetings usually consist of large measures of pageantry and public relations. Yet there's nothing like a gathering of world leaders—especially leaders of the world's superpowers—to lend credibility and momentum to an issue. As many parts of the world grope toward democracy, any number of issues would be worthy subjects for such a meeting. But the leaders of six countries—Canada, Egypt, Mali, Mexico, Pakistan, and Sweden—have proposed a topic that directly touches the future of every country in the world. Presidents Bush and Gorbachev have expressed an interest in attending.

The topic is children—who, literally, are the future. By making their welfare the subject of high-level interest and attention, the World Summit on Children, to be held at the United Nations in September, will spur simple efforts that could save thousands of young lives next year alone. Currently, more than 14 million children die each year. Two-thirds of these deaths could be prevented through programs making use of relatively simple and inexpensive technologies.

All too often, children die simple because there is no political consensus that their welfare is important. Modern war takes its heaviest toll on civilians, especially children, who are denied the basic medical care and proper diet that are necessary for normal development. First in El Salvador, and now in other strife-torn countries, opponents have reached agreements to lay down their weapons periodically in order for children to receive immunizations. These truces are proof that a consensus is possible—even in the face of violent conflict. A children's summit could affirm that, and inspire the political will to save millions of young lives over the next decade.

The CHAIRMAN. Thank you very much. Actually, I think the statistics would show after World War II that the health in Great Britain was not only better on the part of the children and women but it was better for everybody because of the change in eating habits and for a variety of reasons.

Mr. GRANT. True. Special attention was given to children, however, and mothers, and it was a very useful precedent.

The CHAIRMAN. Now I congratulate you on the idea of the children's summit, but what is it that you see specifically that should have to be done at a chief of state level that could not be done at a more subordinate level?

Mr. GRANT. We were discussing the convention earlier, and one area where chiefs of state can make a big difference is the speed with which ratification is given to the convention. I must say I was very encouraged by the remarks of Senator Dodd on this.

My dream is that the United States will have ratified the convention by the time of the summit.

But particularly in doing the doables that I was mentioning earlier, when we get to things like immunization and oral rehydration therapy, as I said, the great challenge is how to mobilize, radio, television, schoolteachers. Unless the head of state gets behind this, it will not happen, at least not quickly.

Our estimate is that we could make sufficient progress on children, improving conditions for children in the 1990's, to save about 25 million children's lives, but if there were a summit you could probably double it to 50 million by providing this leadership which we have seen so amply demonstrated in country after country and which now can be replicated on a much bigger scale.

Senator DODD. A couple of quick points, Jim.

First of all, congratulations on the tremendous work that you have been doing. The last time we saw each other was at a museum in Costa Rica. We were both participating in separate functions there, but we had a chance to chat that evening.

Given the special needs of children which the statistics bear out unequivocally, I wonder if there is any thought given to the establishment of a children's bureau where you might be able to take a lot of this data that is becoming available to try and have some central repository for it so it does not end up being fragmented and then also a place where you would have some sort of an institutional memory.

I mean, clearly some of these problems are going to be reoccurring, and we ought to be able to go back and say what did and did not work. I get the sense we are reinventing the wheel a lot of times with each succeeding generation in how to cope with some of these problems, and the thought is that if there was some central locale, central repository, that we could end up saving a lot of money and applying technologies and programs that have been proven to work and avoid the mistakes that we made in the past in that process.

One, does that make some sense to you? Is it practical? Is it needed? Maybe it is not needed. If it is needed, where would it make some sense to have that sort of a program?

Mr. GRANT. In a sense, I would say that for many countries it would make sense, particularly big countries where there are very successful experiences in one part of the country and they do not generalize them to other parts of the country. This would be true, frankly, of India, and I would say we need to pay more attention to that in the United States itself to draw on the successful experiences of one community or one state for others.

In the international scene, there are the specialized agencies that hold out, that do this on education, do this on health, the World Health Organization, UNICEF to some extent on children generally.

My point would be that this kind of information, it seems to me, would be most usefully done at a country level.

Senator DODD. That makes some sense.

Is there a lot of criticism about data? We cite statistics. What do they say? "There are statistics, damn statistics, and lies." You can get into a battle of statistics.

I wonder if you might share with us how UNICEF gets some of its statistics for those who may question the wisdom of what we are trying to do here and would argue that we have overstated the case; for instance, the statistic that 3 million children die every year from preventable diseases. I presume some may say, well, from where do you get that number, how do you prove that statistic.

Please share with us briefly where UNICEF does develop it statistical base.

Mr. GRANT. We develop our statistical base by drawing first and foremost on the statistical division of the United Nations which in turn, let us say for health statistics, looks very heavily to the World Health Organization, for agriculture statistics to the Food and Agriculture Organization.

We, on our part, then send these statistics back to the countries from which they come. When we put out the State of the World's Children Report and have the statistical section at the back, we will make adjustments in these statistics if we find a major difference between the figures we get from some global authority and the on-the-ground assessment.

Having said this, I think it is very, very clear that in the next 10 years there should be a major investment made in improving collection of statistics. I can remember in 1973 going to the Indian Planning Commission, and after 2 days they still could not give us the infant mortality figures by state. It has only been really in recent years that there has been a real focus on this.

We do look forward in the next several years to a real forward push on this so that we can accurately state that the infant mortality in Jordan, let us say, is at a level of 60 deaths per 1,000 births in the first year.

Senator DODD. That is the direction. How are you going to do that? What would be your sources of funding to try to improve that data?

Mr. **Grant**. We have been encouraging other agencies as well as ourselves to do this. Now on infant mortality, for example, one has the census device, but that gives you the data only every 10 years. We are trying to monitor what happens year by year, so in many countries we are now invoking what is called the Brass McCray process to run large sample surveys that, plus or minus two or three points, gives you some indication of what is actually happening on a continuing basis.

Clearly, with so much effort put into GNP statistics, it would certainly warrant spending a small fraction of that effort on determining what really ought to be more readily determinable, deaths, births and causes of illness.

Senator **Dodd**. We had hearings the other day in the Labor Committee on this same issue; a different focus but the same issue. The suggestion was that children suffer first when food is scarce or virtually nonexistent as it is in many areas of the world. We had a U.S. expert from the U.N. High Commission for Refugees who commented that there are presently no buffer stocks to supplement the rotation of food stock for the world's refugee population. She contended at this hearing that 3 months of buffer stock would make a world of difference in trying to meet the nutritional needs of the world's children.

When we are in times when the cost is low for these stocks, why is it, in your opinion, that donor nations fail to address the need for creating a buffer stock, which is what we are presently in? Why does that occur?

Mr. **Grant**. I am afraid I cannot give you a very informed judgment on that, Senator.

Senator **Dodd**. You do not know the answer to that?

Mr. **Grant**. I do not know the answer.

Senator **Dodd**. My Lord, it seems to me that, given the common interest in dealing with infant mortality and it is axiomatic that malnutrition relates directly to it, I wonder, has that question been raised? Do you raise that question? The United States is obviously a prime example. We are looking at costs being down and building up buffer stocks, and it would be the ideal time to do it, it seems to me.

What is the rationale for not doing it?

Mr. **Grant**. I would see no rationale for not doing it other than the fact that it is a question of spending money and the fact in a government, usually when prices are low there is much less of a sense of urgency, and when the shortages do come and people do see that there is a need for buffer stocks, by then the costs are high.

So, in principle, I am completely supportive of the idea that there ought to be major global buffer stocks as well as within regions and countries buffer stocks.

Senator **Dodd**. Have you made it known to agencies not only in this Government but others who are considering the ratification of the convention that UNICEF is prepared to respond to any questions they may have about the convention itself or to respond to any particular provisions in terms of their meaning?

Mr. **Grant**. We have maybe not made it clear enough. We have been very active in trying to get the information out to the countries. There is a basic information kit, and when it comes to explicit elaboration on it, we turn to the Human Rights Commission. We are really in a sense the go-between between the Human Rights Committee and countries; but we are very, very active at this time in disseminating information on the convention, on encouraging countries to act expeditiously on it and to have the kind of activity, if I may say, sir, that you have been doing here in the United States, you and other Senators, to encourage early action by governments on the convention.

Senator DODD. I notice there were 75 that have signed, and 3 have ratified. Can you give us a quick appraisal of where we are in that number of 20 that is needed? How close are you to that number 20? How many nations are in the process of ratification this spring, this summer?

Mr. GRANT. The fact that 75 countries have signed the book and said that they intend to proceed full speed ahead on the ratification process is very encouraging. When 61 signed on the first day the book was opened, it was the greatest number of countries that had ever signed on any convention.

Our hope, of course, is that 20 will have ratified clearly before the summit takes place on September 29 and 30. Our people are following kind of country by country. A lot still turns on exactly the kind of answers you were getting from Assistant Secretary John Bolton, which is that the governments are moving inside and they are trying to reconcile differing views. A lot turns on really how big a push does the government make. Do they put in some overtime? Do they really wait 3 weeks between meetings of people to reconcile views, or do they move 48 hours apart on this?

I would consider it a great accomplishment, for example, if the United States could ratify the convention before the summit. This would be a great encouragement.

Now I was in France 10 days ago, and the Secretary of State for family welfare told me that France hopes to ratify the convention by the middle of April. It would be the first major industrial country to ratify it, and this was very encouraging news, indeed. Democracies have a slower process on this than some others.

I think that almost certainly 20 should have it ratified by the time of the summit, and it would be just absolutely marvelous if President Bush could go to that summit with the ratification in process. I really do hope the executive branch will put on some night oil and some extra oomph to see that this happens.

Senator DODD. You anticipated my last question. I hope that is the case as well. Again, we appreciate all that you have done on this front. It would be helpful to the committee to keep us posted on the progress of the ratifications as other nations move in that direction.

I thank you for all your fine work.

Mr. GRANT. Thank you. May I say just one word in response to what the Senator was just saying? It is always possible to do some fine work if you have some good support and some good leadership.

I can remember when the child survival revolution was first put out as an idea in December 1982. The first parliament in the world to move on this was the U.S. Congress. You passed a resolution in the spring of 1983 calling on President Reagan to support it and provide leadership to this child survival revolution, and it was in 1985 that the Child Survival Fund came out of the U.S. Senate and the Congress.

I remember just last October the resolution that you passed, an excellent resolution calling on President Bush to take a leadership role on the summit. When that bill was under consideration I was very pleased to see when I was in Moscow that they had a copy of the bill. When they were discussing the Soviet participation in the summit, they had the Senate bill in front of them on this. It is very clear that the leadership from the Senate and the Congress generally on these matters, including the financial support that has been so real, the Child Survival Fund and what you have done for UNICEF specifically but also insisting that funding in A.I.D. be focused on this, has made a world of difference.

Senator Dodd. I thank you for reminding us of the success. Now you have even raised the ante. Having been that successful over these last few years, the pressure is even greater now to not drop the ball at this point.

Under the leadership of Senator Pell and others here, we have been able to have some strong success, and I am very confident that the President will do everything possible to help us along the way in this ratification effort. He obviously has questions that he wants to have answered in the administration, but I am confident that we are not going to get footdragging for the sake of footdragging here. So, I am very optimistic about the progress we can make in these next few weeks.

Thank you very much.

The Chairman. Thank you very much, Mr. Grant.

Thank you for your kind words, Senator Dodd. I would say the real leader, as I said earlier, of children's issues on the Hill on the Senate side is Senator Dodd.

Senator Dodd. Thank you. I appreciate that.

Mr. Grant. Thank you very much.

The Chairman. We now turn to the public witnesses: Mr. Kenneth Phillips, President of Plan International USA (Foster Parents Plan) and chairman, Interaction Working Group on the Convention on the Rights of the Child from Warwick, RI; Dr. Warren Berggren, director of Primary Health Care, Save the Children, Westport, CT; and Mr. Nicholas Eberstadt, American Enterprise Institute, Washington, DC.

The Chairman. Welcome to all three of you gentlemen, and why do you not lead off, Mr. Phillips.

STATEMENT OF KENNETH PHILLIPS, PRESIDENT, PLAN INTERNATIONAL USA, AND CHAIRMAN, INTERACTION WORKING GROUP ON THE CONVENTION ON THE RIGHTS OF THE CHILD, WARWICK, RI

Mr. Phillips. Thank you very much, Mr. Chairman.

A society that reveres its children is truly civilized. On the other hand, a society that neglects children, whether its own or children of others, is shortsighted, bankrupt and, I think, courting extinction.

The sweeping changes of the past year open up new opportunities. I think we can focus as a strategic issue now on children and on economic development in the Third World in a way that we have not been able to in the past.

I recall meeting a young boy in Cali, Colombia, by the name of Gabriel who was about 4 years old, and he was severely malnourished and damaged. And as I walked away from his home, his gazing stare haunted me and I asked, "What can an organization do for a child like this?" And a few steps later, fortunately, the next question and the better question came which was, "What if we do not do something for a child like this?" And I think as human beings this has to have the highest priority.

In El Salvador I recall a visit to a garden project, and there were about 50 children who were being taught how to plant and how to essentially make money in more food, and the field worker called them over at the end of the session and said, "How many of you have sponsors through Foster Parents Plan?" About 40 percent held their hands up and they smiled, and I could hear them saying in Spanish you know, "Hey, I have a sponsor from the United States." And this kind of good feeling is a very important thing to have in the Third World.

The Foster Parents Plan which started in 1937 helping orphans in Spain has moved to helping children and their families in 80 different field locations in 26 developing countries.

My written testimony explores in detail one specific program in Khon Kaen. It explores it in detail because I thought rather than dealing with national or global statistics it might be helpful to see that.

Our program focuses on all aspects that help children, including child survival, water and sanitation, literacy, elementary education, secondary and vocational education, family incomes and capital accumulation as represented in housing, and good credit opportunities.

And the Khon Kaen story ends by talking about even though other things have gone well, how many of the families have debt, because of the system that they have found themselves in, that is the equivalent of three to four times their annual income.

The point of this is that child survival programs are superb, but they are not enough by themselves. They do need to be supplemented by other activities in other fields.

And in the same way when I turn to the issue of rights, field programs by themselves are not enough to help children, and that is why I am here specifically to speak on the issue of the convention on the rights of the child.

In Honduras I recall a visit where I looked around and I saw wonderful little children and many adults. The adults were burdened by poverty, and I said where are the teenagers? And suddenly I realized that the mother next to me was a 13-year-old with a baby on her back and another child holding her leg. And the men I thought who were men working in the fields stooped over were 12- and 14-year-old boys.

Childhood should not be a time for childbearing. It should not be a time for stooped labor, and I think this is what the convention on the rights of the child can do.

The convention has popular support in the United States. Last year at the Annual Forum of Interaction, which is the association of 116 American organizations working overseas, there was a debate on the convention and there was, after discussion, a unanimous endorsement by these 116 organizations of the articles contained in the convention. This was unprecedented because these groups represent all streams, all sections of America.

Interaction created a working group to further the ratification process. We have been joined in that process by many other American organizations: The American Association of Retired Persons, the General Federation of Women's Clubs, the Child Welfare League of America, the Junior League Association of America, many other organizations with constituencies that care peripherally about children, but on this issue have come together to support the convention.

At Plan-U.S. our own donors, 100,000 of them, are ready to support the convention at the right moment. As I talk to people across the country—and I do travel a lot for the organization—I find that this is an issue that brings together Americans of all sorts on international and domestic issues. In fact, I was particularly pleased last week when in the State of Rhode Island the general assembly approved a resolution urging the adoption of the Convention on the Rights of the Child.

This, in fact, responds to the comments earlier today about the problem of federalism. Here is one State already going on record favoring the convention.

Why is the convention important? Again, because field programs are not enough. They have to be supplemented by rights. We need a national and an international moral standard that will hold governments, hold organizations, hold people to the test. We need that yardstick. It is right, and it is time to do so.

I think if you asked Americans across the country today, "Should children receive special protection, should they have rights, should the Convention on the Rights of the Child be ratified," you would hear probably the loudest "Yes" you ever heard. Thank you very much.

[The prepared statement of Mr. Phillips follows:]

PREPARED STATEMENT OF KENNETH H. PHILLIPS

Foster Parents Plan is an international humanitarian organization helping over 550,000 needy children, and their families and communities, through personal sponsorship assistance programs in 26 countries of the Third World.

The communities where we work are some of the world's most desperate and destitute. In each of these neglected corners, Foster Parents Plan is working toward established goals to improve the basic conditions of life for impoverished children, and the prospects of a healthy, productive future for their families. These goals flow from three primary program sectors, covering health, education, and livelihood.

I am pleased to submit the following Situation Assessment and Goal Establishment (SAGE) report for our new program in Khon Kaen, Thailand, as a representative glimpse of the state of children across the developing world.

I. FOSTER PARENTS PLAN PROGRAM GOALS

Institutional program goals have been developed and approved by the International Board of Directors. These goals, summarized below, constitute the basic minimum standards of achievement expected from the individual field office programs.

These program goals have been designed to use the same objective and quantitative indicators within parameters defined on the basis of local conditions and culture. The uniformity of these goals and the development of an objective, culturally neutral evaluation system will allow an assessment of the organization as a whole.

The list of goals is open-ended to allow each field office to add specific goals for their areas of operation. Within the broad concept of development, these field office goals reflect the particular nature of the program area and the specific needs and interests of program participants.

To give a concrete example, housing standards vary widely within a region and vary even more widely from country to country. However, there are certain things that adequate houses have in common no matter where they are or how they are made. Among these common elements are a roof, walls, floors, and ceilings that provide a reasonable degree of protection against weather, parasites, and pests.

1. Health goals:

a. Child survival: To implement child survival programs that are consistent with WH0/UNICEF standards and comprehensive primary health care systems. These programs will include an emphasis on growth monitoring, oral rehydration therapy, breast feeding, immunization, birth spacing, and maternal and child health care.

b. Potable water: To provide foster families with year-round access to safe water in compliance with standard norms (WHO and Ministry of Health).

c. Sanitation: To provide foster families with safe systems for the disposal of human and solid waste year-round.

2. Educational goals:

a. Functional literacy: To the maximum extent possible, to achieve retainable levels of functional literacy and numeracy for all foster family children by age 15. Any limitations or obstacles to achieving this goal must be clearly identified and explained.

b. Completion of primary school: To the maximum extent possible, to achieve the successful completion of primary school for all foster family children by age 16. Any limitations or obstacles to achieving this goal must be clearly identified and explained.

c. Secondary/vocational school: To the maximum extent possible, to ensure that each foster child and/or one sibling gains entrance to and successfully completes secondary school or a legitimate vocational course.

3. Livelihood goals:

a. Income goal: To ensure that within a defined period each foster family achieves a sustainable level of income which is above the locally defined poverty level and adequate to meet the basic needs of their children.

b. Capital accumulation: To ensure that foster families will increase their capital through investment of their savings and/or assistance from PLAN so that, as a minimum their:

1) Children will live in dwellings which meet clearly defined housing standards, in terms of:

—space per person;
—protection against weather, parasites, and pests;
—storage of potable water; and
—ventilation (including exhaust of cooking and heating fumes).

2) Credit needs will be reduced to amounts involving debt service obligations that can be met under normal circumstances with net monetary savings after basic needs have been met.

3) Foreseeable higher expenditures (such as for birth, educational costs, or weddings) will be met under normal circumstances without jeopardizing the achievements of points a, b1, and b2 above.

To assure that these goals are addressed and will be met, PLAN has over the past few years begun to employ technical support staff at the headquarters, regional, and field levels. Technical areas addressed include evaluation, health, small enterprise development, human resources development, and management of information systems. PLAN is also in the process of institutionalizing the previously informal practice of drawing on the existing expertise which may be available through such specialized organizations as UNICEF and PAHO, or through local NGO's and institutions, and host country ministries.

SITUATION ASSESSMENT AND GOAL ESTABLISHMENT: FOSTER PARENTS PLAN INTERNATIONAL, KHON KAEN, October 1988

I. INTRODUCTION

PLAN/Khon Kaen began in 1981 with a predominately direct assistance approach, with the Group Development PLAN as a central vehicle. PLAN families thus had only indirect formulation in the majority of project plans. Over the years a growing, yet still relatively small number of PLAN families realize PLAN's expectation that they are expected to participate in a group/community development approach in solving their own problems. The degree of this awareness is difficult to measure, but we do know that it is on the increase.

The primary needs of the target group are the improvement of agricultural production, including water resources and capital base, and to supply possibilities for secondary income support. There is a lesser need in alleviation of first degree malnutrition, in provision of sanitary latrines, and in support of secondary education.

The entry point of PLAN's efforts is the community. The strategy is to work with formal and informal leaders to reach the individual families within the community. The tactics are to identify the most effective leader/participant grouping with the potential to sustain project activities by focusing our activities on particular problems which these groups perceive the need to address. The final response is to maximize the PLAN family's role within these activities by encouraging their entrance into the individual group/community processes.

This SAGE report was born about 2 years ago through a series of meetings of PLAN staff to evaluate PLAN's experience after approximately 4 years of intervention. Based upon this assessment the original process and impact goals were set. This current version is an attempt to establish magnitudes on the goals based upon the more accurate data received from the baseline survey of FY'86. We have moved one step forward. There has also been an attempt by the author to clarify the program approach as expounded perhaps more clearly in Thai by our Zone Supervisors in mid-September 1988. I hope that I have done this justice. Finally, we have gathered nothing to indicate that our basic goals established in FY'86 should be significantly altered. We do not wish to repair what is not broken.

II. SITUATION ASSESSMENT

A. RURAL CONDITIONS

PLAN/Khon Kaen operates in 103 villages in Khon Kaen Province. There is a wide variation among villages in size, per capita production, proximity to population centers, out migration and access to water. Villages range from 23 households (population 140) to 320 households (population 2,200). The average size is 155 households (population 800). PLAN families make up about 60%. Median gross income among PLAN families is three hundred forty two dollars per year. This is derived primarily from agicultural production. Income from non-agricultural employment makes up less than 10%. (fn 1).

Soil in the Northeast is of two main types, sandy loam and loamy sand. It is of poor quality and very porous. For the most part, agriculture is rainfed. The rainy season lasts from May to September and the average annual rainfall is 1,200 mm. Rainfall patterns are uncertain. The bulk of the rainfall can occur at anytime during the season. The most common pattern is to get rainfall at the beginning and end of the season with a trough occuring June-July. (fn 2)

Formerly, there was enough land for use in the Northeast. The primary value of land was the cost of clearing it. Land was primarily used for rice cultivation with small patches for vegetables, cotton and tobacco. Diets were supplemented by natural forest products. Large numbers of buffalo were raised wild in the forested areas. PLAN villages supplied buffalo to the Central Region until the 1960s but otherwise had little access to outside markets to sell their produce and little opportunity or cash to buy outside products. Production was mainly for consumption and most people lived at a subsistence level. Medical treatment was for the most part done by local doctors using herbal medicines. Education was primarily the job of the monks in the local temples.

Since 1960, the infrastructure of the Northeast has improved significantly. Dams and reservoirs have brought electricity and some limited irrigation opportunities. Highways, roads and railway lines link the entire area. Electricity is now in 65% of our villages, in most cases installed in the last ten years. Most roads leading to our villages have been built in the last fifteen to twenty years.

The opening of the region has increased demand for agricultural commodities to sell on the world market. Rice production has increased by 5% per year for the last twenty-five years. However, this increase is almost entirely due to an increase in the amount of land being used for cultivation. The amount of land that can be cleared for rice production is now at an end. This marginally productive land, not suitable for rice cultivation, produces an adequate crop once every three to five years. Chemical fertilizers are often being used not to increase production but simply to get any production.

The clearing of land for rice cultivation began a process of deforestation, accelerated by the production of other agricultural products for the world commodity market, such as kenaf, sugar cane, cassava, maize and mungbean. (fn 3) From 1961 to 1982, the rural population of Thailand grew by 19 million people and nearly 15 million of these cleared forest areas for agricultural puposes. (fn 4) Villagers speak of this period as the time of the 'broken forest'. Use of large tracts of land for cash crops and population pressures have created a shortage of land and decreaed forest area available for collecting natural foods, especially wild vegetables. Poorer farmers typically have less land and what land they have is marginally productive.

Agricultural banks now offer credit to some farmers. Local merchants make loans of cash, seeds and buy crops at low prices at the start of the planting period. Merchants charge rates of interest in excess of 100%. The cost of water buffalo has increased greatly and only about 60% of the target families own a buffalo older than 2 years. Farmers have also increased their use of fertilizers, insecticides and new seed varieties through credit extension. A crop failure or a fall in prices thus has serious repercussions. In the late 60s the price of kenaf fell drastically, but the effect was cushioned by the introduction of cassava as a cash crop. Recently, the price of cassava has fallen and this has left many farmers in debt.

Some of our villages have experienced drought for the last three years and crop failures have necessitated the borrowing of rice at excessive rates to get through the year. Debt is very serious problem. Approximately 70% of PLAN families are in debt, and total debt was greater than annual income for 74% of these.

As villagers have begun to turn to growing cash crops, many traditional skills and practices like weaving and manual rice milling have fallen into disuse and integrated agriculture for home consumption has been replaced by a search for crops that have a marketvalue. Likewise, the village economy has changed. Items that were once locally produced such as mats and clothing have begun to be purchased and consumer items such as radios, pots and pans have found their way into the villages. Private rice mills offer services in exchange for the bran, formerly used in raising pigs and chickens.

Animal husbandry is carried on haphazardly without benefit of technical assistance or advice. Chickens run free to find whatever food they can. There are several diseases (new castle, IB, fowl cholera, fowl pox) to which they are susceptible. About 60% of our families raise from 5 to 10 chickens and less that 40% survive. Chickens are raised mostly for home consumption. Duck raising has become more popular in recent years as more water resources have become available. Ducks require some attention, and about 30% of village families raise ducks with 5% owning more than 10.

The popularity of integrated farming has led to an increase in fish farming. Almost 20% of the target families now cultivate fish in their own ponds.

Buffalo are usually tended by small children. About 60% of our villagers have their own buffaloes with better off families having five or six. The 40% of target families who do not have buffaloes must rent them at a cost of about 500 kilos of raw rice per year. The cost of this additional input makes it extremely difficult to get a reasonable return for their labors. Thus they remain at a subsistance level with little chance to save enough to own their own buffalo.

Pig raising is not very popular because of the hig cost of inputs in feed compared to the market price. Only about 6% of the villagers raise their own. Some villagers are beginning to raise a local variety of black pig that does not require special feed. However, rice bran must be used during certain dry periods and bran is limited. During rice planting, transplanting and harvesting, villagers are extremely busy. At other times there is a lack of work in the villages. Few non-agricultural products are produced for income generation, as products are available in nearby markets. About 10% of families in target villages have no access to land. These families earn income locally through both agricultural and non-agricultural labor. There is also temporary migration to Bangkok and other urban areas for work. It is not unusual to find girls in the Northeast working as prostitutes in provincial cities and Bangkok. Child labor is also a serious problem in Thailand and a large percentage of the children exploited in this way come from Northeast villages. Thailand also exports labor to Arabian countries. This is done through employment agencies that charge a high service fee. Farmers generally pay this fee by obtaining loans using their land as collateral. Some farmers return after three to five years with a reasonable savings, some farmers have lost all their land with nothing to show for it.

The situation assessment in regards to rural economic conditions highlights these needs:

1. The need for income support activities during periods with little agricultural activity.

2. The need for economic cooperative activities such as agricultural banks.

3. The need for training and assistance in animal husbandry.

4. The need for water for agricultural purposes.

5. The need for training and assistance in crop diversification.

B. HEALTH

In general, the health standard in Thailand is good when compared to many other developing countries.

Recent indicators (fn 5):

Infant Mortality	41 per 1,000 live births
Death below age 5	53 per 1,000
Life expectancy at birth	64 years

The Ministry of Public Health has set up a system of village clinics, sub-district health centres, district hospitals and provincial hospitals. Vaccinations against common diseases are carried out at the sub-district health centres at no cost. There is a health card system in which holders can get treatment for approximately ฿300 per year per family. It is still possible for those without cards to get a letter from the district government administrator to get health care at a reduced rate and the hospitals themselves are often open to negotiation in relation to fees.

All of our villages have village health volunteers. Sub-district health centers are available to almost all of our villages. They are staffed by one midwife and one health worker. There are district hospitals in Ubolrat, Nongreu, Ban Fang, Phoowiang, and Nong Song Hongs (each district has one hospital with ten beds). Khon Kaen has two provincial hospitals.

In cases of serious illnesses, villagers first go to the sub-district health centre and are then referred to the district hospital or provincial hospital. The care available at these upper levels is acceptable and the need that PLAN can meet is more to ensure that the poor have access to it. Through the institution of the health card system, the government is making considerable progress in meeting the health needs of the poor. PLAN encourages the use of this system, but provides direct assistance in emergency cases where the system proves too slow and cumbersome.

Traditionally in the case of less serious illnesses our villagers have made use of local healers. Most villages have a herbal medicine man, at least one masseur skilled in manipulation (chiropractor) and a spirit doctor (psychiatrist). In recent years less use of these local medicine men is being made and is being replaced by a high use of modern medicine for common illnesses. Herbal medicine is a well organized discipline in Thaiand with a system of licencing practitioners and much literature on this field is now being published. Medical people trained in modern methods are increasingly becoming interested in the uses of herbal medicine. There is a need to promote proper use of herbal health medicine at the village level by providing educational courses for the village population and supporting and providing further training to the village medicine men.

Malnutrition is a continuing problem in our villages. Although third degree malnutrition is not prevalent, the incidence of first degree is unacceptably high, especially in children from 14-16 months. (fn 6)

Malnutrition 1st degree. (0-12 mos.)........15%, (13-60 mos.)...........33%

2nd degree. (0-12 mos.)........ 0%, (13-60 mos.)........... 2%
3rd degree. (0-12 mos.)........ 0%, (13-60 mos.)........... 0%

Successful education or breast feeding has led to improvement in the nutritional status of 0-12 month old children. However, the major problem obviously ties with the nutritional status or 13-60 month old children. There are many causes for these nutritional problems. The depletion of the forest brought a scarcity of natural foods never adequately replaced by cultivation of gardens. With the increases in population, ponds are sometimes fished out with little thought to replacement by aquaculture. Chicken raising is extremely difficult due to the prevalence of several diseases. The raising of small forest pigs is no longer done. There is a shortage of bran formerly used as feed in animal husbandry. Dietary habit also cause nutritional problems. The few animal that are raised are often eaten during religious or social occasions and don't make up a steady suppliment to the daily diet. It is common to eat raw meat and fish which has heavy parasite loads. It is quite popular to eat unripe papaya which has little food value as compared to ripe papaya. Projects to improve nutrition have not been very effective. Food habits have proven almost impossible to change and programs offering supplementary food have not worked because of the cost involved and because children do not like the taste of soya bean suplementary food. Trainings based upon use of local foods do not work, if food is not available as in times of drought.

One possible approach to improving nutrition is the promotion of vegetable gardens that are able to produce food over the entire year through careful selection of varieties to be planted. These gardens serve as a replacement for the food traditionally gathered in the forests. Chickens can be vaccinated against prevelent diseases. Aquaculture can be taught and fish raised in ponds and rice fields. Additional ponds can be dug. Water for vegetable gardens and fish ponds can be furnished by the hand or machine digging of shallow and artesian wells.

In relation to the needs outlined in the rural conditions section, projects that relieve debt and/or generate income or provide more economic cooperation (rice banks, buffalo banks, credit unions etc.) have the potential to address nutritional problems.

Among communicable diseases related to environmental and sanitation conditions, vector-borne diseases (malaria, dengue & haemorrhagic fever) and water and water and food-borne diseases (gastro-intestinal infections and parasites) continue to present public health problems. Food and water borne diseases affect about one-third of the population every year. Respiratory infections affect nearly 100% of the population annualy; and although most cases are mild, complications frequently arise in infants and small children.

Northeast villagers live with their homes relatively close together and most are raised about five feet off the ground. Roofs are of corrugated iron sheets or straw and water buffalo are often kept underneath them in pens at night. Villagers sometimes cultivate vegetables in the area around their houses if water is available. More often this vegetable cultivation takes place around nearby ponds. Drinking water is taken from the cleanest source available (water jars, wells and ponds). Water jars are becoming more prevalent in our areas but there are still 28% of the families in our areas without an adequate supply of clean drinking water during the dry season. There is also a shortage of water for other domestic uses. All of the above have a bearing on general sanitary conditions.

Latrines are becoming increasingly more common in the villages in which we work. About 71% of the families have access to latrines. The other families simply use the nearby bushes.

The situation assessment in regards to health highlights these needs:

1. The need for greater access to potable water.

2. The need for greater access to water for vegetable raising.

3. The need to increase production of food for consumption.

4. The need for health education on nutrition and sanitation.

5. The need to increase disposable income for greater access to medical services and nutritional food.

6. The need for greater access to water for domestic purposes.

7. The need for education on the use of herbal medicines.

C. EDUCATION

Education in Thailand is conducted in accordance with the National Scheme of Education (1977), which states that both formal and non-formal education should be a continuing and lifelong process. Formal education is divided into four levels: pre-school, primary, secondary and higher education.

In our villages, pre-schools are rare. Some daycare centers have been established and funded by another NGO in collaboration with the Provincial. Most of these daycare centers do little more than babysit with the children. There is little evidence to suggest that the children in these programs are any better off than those who are playing freely in the villages.

Primary education is oriented towards basic literacy and numeracy skills, Buddhist precepts and good citizenship. Children start school at age seven and six years of primary education is compulsory. Attendence in the first six years approaches 100%. The average class size is 35. Secondary education is geared towards the minority that will continue up the educational pyramid and most of the subjects are academically oriented. The method of teaching for both primary and secondary systems relies heavily on rote learning and memorization with little questioning of material presented or the authority of the teacher.

In many of the schools in our target area, the relationship of the school to the community is weak. Many of the teachers live in housing at the school or travel daily from the district town. At one of villages, one teacher had managed to teach at a primary school for five years without ever entering the village. The curriculum is often of little relevance to the needs of the village. One government report concluded, "The most serious short coming of primary and secondary school education is that is does not provide students with practical agricultural knowledge suitable for their future occupations. It neither encourages a reading habit or other forms of information seeking that can lead to an improvement in the villager's lives." (fn 7)

Only about 10% of the children in our villages begin secondary school (Year 7). About 5% finish Year 9. Those that attend secondary schools are principally the better off of the village, however there are many cases of poorer families going into debt to send their chidren for secondary and higher education. Unemployment and underemployment of secondary and higher education students is severe. However, while not structured for preparing students for a future job or a future agricultural occupation, secondary education does provide one of the only ways for children to learn and has made a real difference in many lives.

The literacy rate in the operational area is very high at around 96%. However, much work could be done in maintaining reading and writing abilities and improving the minimal standard used to measure competency. One study found that 33% of primsry school graduates later lapsed into illiteracy. (fn 8) Any non-formal education classes in literacy should be caried out in a way that is relevant to the other goals of our program.

The situational assessment for rural conditions provides a strong argument for vocational skills to be taught to the villagers, both youth and adults, that will enable the villagers to make products that they now purchase and products they can sell outside the village. PLAN supports programs in this area, dependent on clear identification of what is viable. Vocational projects in many development programs in Thailand are implemented with little thought as to how the skills can be put to use. Feasibility studies have in the past often been too grdiose or academic. Vocational training programs must thus be based upon skills which have a direct relationship to activities within the village.

Furthermore, PLAN/Khon Kaen had an initial history of being a welfare agency. Critical changes have been implemented to rectify this perception. For this to continue to filter down to the village level, especially during project activity, continued education on the assessment and prioritization of needs and mobilization of resources for proper development planning must continue to be emphasized with the staff and target group.

The situation assessment in regards to educational conditions highlights these needs:

1. The need to support the acquiring of skills and knowledge of use to the village (such as agriculture and health).
2. The need to provide appropriate vocational training, for both youth and adults.
3. The need to build an educational component into project activity.
4. The need to provide some secondary students with scholarships based on economic need and acedemic ability.
5. The need to support school activities that promote a closer relationship between villagers and their local schools.

D. SOCIO-CULTURAL CONDITIONS

Virtually all our villagers are Buddhist and among its central tenets is the belief in karmic law in a materialistic sense as well as a moral one. A person is born into or gains wealth and power because of his accumulated boon (merit) in his present or past lives. Similarily, a person is born into poverty or loses his wealth because of his past deeds. At the level of behavior, the most important relationship in the organization of Thai society is the superior-inferior (phu yai-phu noi) relationship. This relationship is based on asymetrical exchanges of benefits (economic/political/social) and is usually called patron-client. (fn 9) In this system, a leader holds the allegiance of a number of subordinates by successfully advancing their interests. This model has given birth to Thai paternalism in which the ideal leader is one who protects and distributes benefits to his clients.

Since support for leaders is not really based on their good charactor, they might not be particularily respected. In fact, Thai farmers are suspicious of ambitious persons and in general farmers are hesitant to take the lead for fear of being disliked by others. Thai farmers tend to elect as their leaders, people who have greater resources (economic, social, political) than they they have. These leaders have connections with people in power such as district government officials as well as persons of wealth. Farmers elect these leaders because they think that they will serve as their patrons. As the leaders power base is not really in the community, they often work mostly for themselves, relatives and friends. It is sometimes the case that formal leadership is poor, because only those who think that the position will give them enough personal benefit will risk becoming leaders. Be that as it may, the formal leaders of a village are the ones who make contact with all outsiders. It is their job to ascertain what the requirements of the government or private agency are and what the village can get out of it.

The lowest level of formal leadership is the committeeman that is the head of a geographical village unit of about twenty-five families. The committeemen and the village headman see to most of the affairs of the village that concern the outside. Although village meetings may appear to be open discussions in search of consensus, they are often, in fact, deeply influenced by these leaders and other better off members of the community. Poorer members of the community are looked down on, they have little opportunity to voice their opinions and are not encouraged to participate in many activities.

In addition poorer villagers have less time that others to attend meetings and participate in projects. They often work as laborers in and around the village and may temporarily migrate in off seasons to provincial towns or Bangkok. They are often the least able and least willing to take risks or to use resources or cash to invest in new activities.

Partly on account of the emphasis on high-low status and partly because of emphasis on face to face relationships, Thais dislike openly showing open disagreement or hostilities. They also dislike arguing with outsiders who they feel have higher status. Thus, they may openly agree with everthing said at a formal meeting or by persons of higher status, while in their own minds they may strongly disagree. When it comes to implementation, they may refrain from partcipation.

The paternalistic nature of Thai structures (including the government) mean that an attitude of dependency is easily fostered. Most Thai villages have been on the receving end of free, handout programs of the government and private donor agencies (including PLAN) and have come to expect others to work for them. Another trait identified in our farmers is pragmatism, the tendency to judge everything solely by the immediate consequence and bearing on themselves. (fn 10)

The above points make for several obstacles in initiating a program that will reach our goals. Formal leadership is not of a high standard and often not conductive to an approach that seeks to answer needs identfied by the poorer members of the village. Although formal leadership is often not conductive to an approach that seeks to answer basic needs identified by the poorer members of the village, it is the perception of the community and the government that this group has the primary responsibility to deal with outside organizations. The inferior social position of the poor makes it difficult to get them to play a large role in their own development. The experience of most villages is one of being a recipient to a program defined by an outside government or private organization. Most of these programs have been strong on self-help devlopment rhetoric but have been paternalistic in practical application within the village.

The need for both government and private organizations to show visible results in the short term have made for an emphasis on highly visible infrastructure projects. Leaders and their government patrons get the most credit for these kinds of projects and because of this history they are often a felt need in the community. Advanced preparation for these projects has not been thorough. (Please refer to Appendix II, for a description of a PHC worker within the village structure).

The situational assesement in regards to socio-cultural conditions highlights these needs:

1. The need for PLAN to embark are a leadership training program that will improve the standard of formal leadership and will encourage active leadership. It should also serve to identify strong informal leaders in the community and where necessary minimize the negative influence of inactive formal leadership.

2. The need to assist the community in planning programs that actually answer their needs.

3. The need for active village leaders to interact with their counterparts in other villages in order to avoid continued reliance upon outsides for solutions to common needs or problems.

4. The need for community workers to enter the community more deeply so that they will be able to facilitate as an insider rather than an outsider.

5. The need to increase the participation of all members of our villages.

E. GOVERNMENT PLANNING AND SUPPORT

The Sixth Economic and Social Development Plan outlines the following activities:

1. Infrastructure: Improvement and construction of roads, electrical supply, and allotment of public lands.

2. Economics: Promotion of agricultural production and small home industries.

3. Water resources: Development and improvement of small water resources and run-off/catchment areas.

4. Public health: Promotion of primary health care, clean water sources, nutritionall education, and environmental sanitation.

5. Education: Promotion of universal primary school education and promotion of formal and non-formal edcuation, including non-agricultural related.

The above is rather broad, but certainly consistent and not in contradiction with our priorities.

The Sixth Plan calls for increase contact, coordination and idea sharing between the government and NGOs. It puts a strong emphasis on villages meeting basic needs through self help programs. All provinces have embarked on a plan to answer basic needs based on 32 indicators. (See Appendix I).

Perhaps more to the point is how the development rhetoric of the government is being implemented in the field and its relevance to PLAN. The government has a development officer for each sub-district that we are in. The government officers work through the formal leadership structure of kamnan (sub-district chief), village headman, cluster leader. The kamnan and the headmen make decisions in the tambon (sub-district) consel for the sub-district and the headmen and the cluster leaders make decisions at the village level. Given the standard of leadership and the patron-client relationship that runs through the government and the village, this structure, while apparently democratic, is somewhat flawed.

As the government stated priorities is very similiar to PLAN's, there are many possibilities for collaboration. Government is only too happy to use our resources to reach their goals. The problem is that PLAN's stated purpose of sustanable, self-reliant development is probably not furthered by government activities that are tied to patron-client relationships, paternalism and politics. Nor is the purpose of truly increasing participation and benefits to the poorer members of our comunties. PLAN must therefore cooperate and colaborate where it can to crate a good working relationship with the government without becoming its tool.

Agreements and Collaborative Arrangements

PLAN has a Memoradum of Understanding with the Department of Technical and Economic Cooperation (DTEC) and a Framework of Cooperation with the Department of Public Welfare (DPW). Neither agency is heavily invloved in rural development work. PLAN/Khon Kaen has considerably improved relations with provincial government authorities due to increased direct contact with the office of the Governor in addition to the Provincial Public Welfare Officer. Both senior and supervisory level staff are involved in scheduled contact with District officials.

PLAN has made use of the Accelerated Rural Department and Rural Water Supply Department on several occasions for advice on the development of water resources. This relationship will continue to be cultivated in the future.

F. NON-GOVERNMENT PLANNING AND SUPPORT

PLAN has no formal agreements or collaborative relationships with Non-Government Organizations. Children*s Christian Fund works in our area but their method of operating is to turn their entire budget over to the Thai government. They are thus, in effect, little different from a government program.

We have worked principly with Redd Barna (Save the Children - Norway) and the Appropriate Technology Association. These two organizations have programs operating in our geographical area, although not in our villages. Their program approach and goals are quite consistent with ours and many of their staff are quite experienced. PLAN has also begun to coordinate with Thai Australia Rural Water Supply Project in cross-assessment of data on village water resources.

PLAN is a member of the Northeast Development Organization that has been established to promote the cross sharing of ideas between various NGOs and some government organizations. PLAN has made use of the expertise that is offered by the numerous NGOs here on numerous occasions.

III. PROGRAM APPROACH

Mission Statement/Statement of Purpose

We support the following principles:

1. The realization of the potentialities of the villagers in harmony with the community should be seen as the central purpose of development.

2. Villagers are regarded as the subject and not the object of the development process.

3. The villagers must be able to participate fully in shaping their own reality. (fn 11)

We believe that the villagers with whom we work have historically found ways of dealing with the problems that have confronted them. The tremendous change in the village physical environment with the destruction of natural habitat, the opening up to the world commodity market, the improvement of the infrastructure providing easy access to the great social changes taking place in the urban areas and greater access of government and non-government organizations, has meant that villagers have been subjected to a great deal of change and influence in a relatively short time. As the villagers themselves come to terms with this change and influence, PLAN has a role of support to play.

While PLAN accepts that the villagers must work to solve their own problems and the proper role of PLAN is one of support, we do not accept that it is the role of PLAN simply to support any activity arising from the village. Our situational assessment outlines certain needs that guides PLAN's intervention, which will be guided according to the following principles:

1. The identification and support of an independent strong village organization with good leadership that has the ability to identify basic needs and plan and implement projects around those needs.

2. Project will be implemented through the greatest possible participation of community members, and will answer the priority needs of the community.

3. Projects will make maximum use of village human and material resources both within and outside the village, and will serve to increase human and material village resources.

4. Village projects will be integrated and coordinated so as to complement each other in reaching objectives.

5. A self-sustaining development approach will always supercede a direct intervention approach.

Our Approach Towards These Goals

Understanding and Awareness

PLAN community workers live in the village and actively participate in order to become a member of the community and gain a more complete understanding of the village. PLAN CW's gather additional information on needs and solutions through observation, formal and informal discussions, surveys, and outside resources. The CW will seek to create an understanding in the community and with the government concerning PLAN's philosophy, working principles, and established goals. PLAN seeks to raise the awareness of village committees and the entire community so that the CW might transfer this entire role to the village leaders.

Support

According to PLAN'philosophy, working principles, and established goals, PLAN supports activities which answer the basic needs of PLAN and non-PLAN poor families, increase the resource base of the community, and strengthen the community as a whole. PLAN supports the above needs, resources, and community linkages through village committees responsible to manage and organize the process of meeting these needs. PLAN works with the committee leadership to sustain activities already operating in the community, identify needs, provide necessary training support, advise and demonstrate alternative solutions, discover human and material resources within the village, and link the community with available outside resources and material support.

PLAN will encourage the maximum use of local resources. PLAN CWs will discuss problems with individual families and identify and advise the village leadership of effective ways of integrating these into those of the whole community.

Implementation

The PLAN CW plays the role of catalyst. The village leadership assumes responsibility for programs.

The village committee assumes the responsibility for identifying the priority needs of the community (and its families), the available material and human resources, and the projects designed to alleviate these needs. The CW advises the committee on the objective, ensuring that it is clear directed toward the goals toward which PLAN may assist, and measureable, with plans for follow-up.

The committee determines the level of participation and the amount of local resources which can be applied, and the CW assists the committee to maximize distribution of benefits among participants and utilize all available resources.

Both the committee and the CW seek to prioritize needs,identify alternative solutions, plan available resources (village and PLAN), establish time frames for implementation and follow-up, and ensure sustainability. The CW supports the committee leaders to identify and utilize outside resources. The CW is the conduit for PLAN resources.

Need determines solution. Solution determines resources. Resources determine implementation over time.

Implementation initiates follow-up and continual assessment. Assessment determines sustainability. A sustained project creates a resource, Expanded resources create integrated development.

PLAN seeks to plan programs over a period of at-least three years, and the PLAN CW assumes the responsibility to place this task into the hands of the village committee, at the earliest possible date.

IV. GOAL ESTABLISHMENT

The following three goals:

1. Leadership
2. Linkages
3. Participation

are the process goals of our program based on our situation assessment and the overall goals called for in our mission statement and program approach.

There are also more immediate and more easily measurable impact goals derived from the situation assessment that PLAN intends to address:

A. Improve economic stability

B. Increase standards of health

C. Provide educational support

NOTE: The 5 years referred to under Time Frames is considered as having begun during FY'87 when this SAGE was first approved for older areas, or at the time of intervention in new areas.

1. GOAL: LEADERSHIP

PLAN will work with villages to improve leadership structures by applying the approaches outlined in section III so that some formal and/or natural leaders are able to continue to organize the community to meet real needs as identified in the situation assessment.

The following scale will be used to determine the progress of the village towards the goal:

Phase I

Three to five leaders in the village have an understanding that real needs of communities can be met by using resources in the village and those available on the outside and they are active in holding meetings and communicating informally with the rest of the community.

Phase II

Groups are formed in the village under these leaders in phase I and these groups meet 6-12 times a year.

Phase III

Groups formed in phase II are taking a major role in some of the following steps: identifying-prioritizing-planning-implementing-evaluating of projects.

Phase IV

In accordance to the roles established in phase three, groups are implementing projects around prioritized needs that are likely to continue to answer those needs without continued support from PLAN.

Phase V

Groups are planning, implementing and evaluating projects to meet prioritized needs without assistance from PLAN in these steps.

Phase VI

Groups are planning projects in as integrated way with definite long term goals in mind with only material assistance from PLAN.

2. GOAL: LINKAGES

PLAN will work with villagers to increase the number of linkages to outside resources and improve the ability of the community to make those linkages by applying approached outlined in Section III so that villagers are able to utilize outside resources to meet identified needs.

The following scale will be used to determine the progress of the village towards the goal:

Phase I

A linkage with an outside agency, organization or another village that did not exist before is made with PLAN assistance.

Phase II

Linkages to outside agencies, organizations or other villages are providing help and additional resources.

Phase III

Villagers are identifying what needs require linkages with outside agencies, organizations or other villages.

Phase IV

Villagers take the major role in making contact with an outside agency, organization or other ivllager.

Phase V

Villagers maintain linkages that continue to provide assistance and additional resources without any PLAN intervention in this linkage.

3. GOAL: PARTICIPATION

PLAN will work with villages to increase their participation in all PLAN projects by applying approaches outlined in Section III so that the use of village resources are maximized, projects answer basic needs of a larger group and villagers possess and increased sense of ownership in project activities.

Participation will be scored on seven attributes on community participation. (fn 12) The seven attributes are not prioritized, but instead are scored on a scale of 0 to 4 points (none of the aspects found = 0; some = 1; moderate = 2; considerable = 3; and complete = 4).

While comprehensiveness and financial components lend themselves easily to quantification, the judgement of the other attributes will be qualitative and arrived at through interviews and observations. A community participation is calculated by taking the total score, dividing by 28 and converting the number to a percentage to fit along the following scale:

self-sustaining — dependency

100% — 75% — 50% — 25% — 0%

/—————/—————/—————/—————/

mature — advanced — active — entry

1. Diagnosis: The community members' participation in assessing their general needs, the needs of the disadvantaged groups and their awareness of resources that might contribute to meeting needs.
2. Consciousness: An awareness and orientation of change (toward self-reliance) and sense of community cooperation among social and economic groups.
3. Program involvement: The willingness and ability of community members to be involved in the planning, implementation, and evaluation of program activities in their communities.
4. Organization: The effectiveness of community organizational structures to make decisions.
5. Comprehensiveness: The breadth of participation in village activities.
6. Financing: The community members' willingness and capacity to contribute in monetary terms.
7. Integration: The communities confidence and capacity to link projects together for meeting real needs.

GOAL A: Improve Economic Stability

PLAN will work to

increase in agricultural production for sale
increase in food production for consumption
decrease expenditures
reduce borrowing at usury rates
establish cooperative economic institutions

through such activities as:

Pig raising
Poultry raising
Fish raising
Vegetable gardens
Rice banks
Buffalo banks
Fertilizer banks
Coops
Credit Unions
Income Support Projects

in order to increase disposable income, reduce total debt, and increase available capital /assets in sustained community funds.

Objectively verfiable indicators:

Income levels
Levels of indebtedness
Level of liquid capital

GOAL B: Increase Standards of Health

PLAN will work to

- provide adequate potable water
- increase production of food for consumption
- improve environmental sanitation
- improve nutritional status of children under 5
- increase knowledge of health care
- improve use of existing health facilities

through such activities as:

- Vegetable gardens
- Wells
- Water jars
- Fish raising
- Poultry raising
- Pig raising
- Toilets
- Health education
- Emergency health care
- Health facility support

in order to increase the available of potable water, reduce the levels of first, second, and third degree malnutrition, increase the use of latrine, and increase the use of existing health care facilities by villagers.

Objectively verifiable indicators:

- Amount of potable water available
- Percentage reduction in malnutrition
- Number of latrines in use
- Percentage of villagers utilizing health facilities

GOAL C: Provide Educational Support

PLAN will work to

assis deserving and capable students to continue their secondary studies

train villagers in appropriate vocational skills

through such activities as:

Secondary scholarship program
Vocational education
Non-formal education
Small business development

in order to increase the number of students completing secondary academic schools, and to increase the number of youth and adults trained and employed through skills development.

Objectively verifiable indicators:

Number of PLAN supported students completing designated academic levels.
Number of villages receiving income through use of skills.

TARGET GROUP:

Our target group is located in 103 villages in six districts of Khon Kaen Province. Our target group are the PLAN families (approx. 65%) and poor non-PLAN families (approx. 25%) in target villages.

MAGNITUDES/TIME FRAMES

ALL VILLAGES

Goal I: Leadership

All villages will be to at least to phase V after five years.

Goal II: Linkages

All villages will be at least to phase V after five years.

Goal III: Participation

All villages will reach 75% on the dependency/self-reliant scale after five years.

Goal A: Improve Economic Stability

Average total debt will be reduced to ฿6,988 for 80% of PLAN families after five years.

80% of PLAN families will have increased gross income above the level of ฿10,263 per annum after 5 years.

Total value of revolving liquid capital will have reached ฿125,000 after five years in each village.

Goal B: Increase Level of Health

All villages will have adequate potable water (two litres per day per person) after five years.

Thrid degree malnutrition will be eliminated after five years.

Second degree malnutrition will be eliminated after five years.

First degree malnutrition will be bleow 15% after five years.

Toilets will be used by 80% of the target population after five years.

Existing sub-district and village health care facilities will be utilized on a regular basis by 60% of the target population after five years.

Goal C: Education Supported

600 secondary students will successfully complete their academic studies each year over the next five years.

60% of the target families will receive training and 80% of this families will apply training in a vocational skill which directly enables them to support family income.

CONSTRAINTS

The following constraints could limit PLAN's ability to achieve the goals stated above:

> The paternalism present in government development efforts and the previous paternalism in PLAN activities have created expectations among the target group of continued welfare assistance from PLAN.
>
> The inferior social position of the poorer members of the community restricts active participation in village activities.
>
> The requirement of certain families to write letters creates expectations of individual direct help.
>
> Exceptionally high paperwork requirements divert emphasis from program activities.
>
> Rapid growth requirements divert emphasis from program improvement.

ASSUMPTIONS

These assumptions must be true if PLAN is to achieve its desired goals:

> The government conitnues to support our actions without undue interference.
>
> The economic situation remains stable.
>
> The political situation remains stable.
>
> There is no large turnover in our staff due to unforeseen external circumstances.

FOOTNOTES

1. Where not otherwise footnoted, the figures in this document come as the result of the Baseline Survey conducted by our staff from January-June 1988 and as the result of interpolations of this and other data concerning our villages.

2. N. Varasoot, Rainfall Analysis for Northeast Thailand (Faculty of Agriculture, Khon Kaen University), p.11.

3. Vast areas of upland were cut down to produce kenaf from 1958 to the early 1970s and cassava from that time to the present. Land planted in kenaf increased from 62,000 rai in 1950 to 427,000 rai in 1960 to 2,631,000 rai in 1967.

   James C. Ingram, Economic Change in Thailand 1950-1970, (Stanford: Standford University Press), p. 258-260.

4. Bangkok Post 24 November 1985

5. State of the World's Children, UNICEF, 1988.

6. A random check of statistics from two villages in Ban Fang District Statistics from the KKU/PLAN Mobile Health Clinic Cooperation Project indicate 20% first degree, 3% second degreee among 0-12 months and 51% first degree, 12% second degree, and trace thrid degree among 13-60 months. These statistics are not random, but do also indicate that the main problem occurs in the 13-60 month age group.

7. Narong Hutanuwatr, Socio-Economic Constraints in Rainfed Agricultural Production in the Lower Northeast Thailand (The National Economic and Social Development Board), p. 56.

8. The Nation (Bangkok), 25 August 1984, p.11.

9. Franz G. Heim, How to Work with Farmers: A Manual for Field Workers (Thailand: Research and Development Institute), p.21.

10. Ibid. p.27.

11. Taken from the UN Secretary General's Report on International Demensions.

12. David Pyle., "Framework for Evaluation of Health Sector Activities for Private Voluntary Organization Receiving Matching Grants".

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State of the World's Children, 1988, UNICEF, 1988.

KKU/PLAN Cocperation Project for Mobile Health Clinic, Phase I, 12 March-26 June 1988.

APPENDIX I

Royal Thai Government Basic Needs Indicators

1. The number of the families have full nutrition that is sufficient for one's need.

   This can be indicated from

   1.1 There is no lack of nutrients in different levels that are harmful to health of the new born babies to 5 year children.

   1.2 Children aged 5-14 have ful nutrition. This can be seen from standard weight compared with the ages of the children.

   1.3 Pregnant women have full and sufficinet nutrition and their babies have a weight not less than 3,000 grammes.

2. The people have suitable shelter and environment. This can be indicated from

   2.1 The condition of the house has been stabel and strong for at least 5 years.

   2.2 There is good and sanitary house arrangement.

   2.3 There is a sanitary latrine.

   2.4 There is enough drinking water through the year.

3. The people can have basic social services that are necessary for life and earning a living.

   3.1 Children aged less than 1 year have full vaccinations, according to ages standard, against T.B., diphtheria, wooping cough, tetanus, polio and measles.

   3.2 Children in the age of primary school have a chance to enter study to grade 6.

   3.3 Children of primary school age have vaccinations against T.B., diphtheria, tetanus and typhoid.

   3.4 The people aged 14-50 are literate.

   3.5 The members of the family have information about earning a living, food, health, laws, and general news. All of these should be informed at least once a month.

   3.6 Pregnant women have got good care before giving birth to children.

   3.7 Pregnant women have got good care and services after giving birth to children.

4. The people have safety in life and properties. This is considered from the time when criminal crimes happen. And there are people on guard in night time that make the people in the village feel secure and safe.

5. The people have got efficient ways of food seeking and production. This can be indicated from

    5.1 The family grows revolving crops or soil nourishing crops.
    5.2 The family uses fertilizer to increase products.
    5.3 The family knows how to protect and get rid of pest and diseases of the crops.

    5.4 There is the protection of animal disease in the family.
    5.5 The family uses new varieties of vegetation and animal breeds promoted by the government.

6. The family can control time and number of children as it wants

    6.1 Husband and wife has no more than 2 children, and can use the birth control service as they want.

7. The people have the participation in development, and they can set the way of life in their community. This can be indicated from

    7.1 The family is the member of the group organized to help each other.

    7.2 The people in the village have participation in self-development.
    7.3 The people in the village help preserve public assets built by the government and the community itself.

    7.4 The people in the village help preserve and support cultural heritage.

    7.5 The people in the village conserve natural resources.
    7.6 The people in the village go to vote in a democratic system.
    7.7 The village committee are able to make a plan, and work follow the plan and set a system to support their work by themselves.

8. The people have better spiritual development. This can be indicated from

    8.1 The people in the village are unified and generous.
    8.2 The members of the family have religious practice at least once a month.

    8.3 The members of the family are not gamblers, alcoholics or other drugs addicts.

    8.4 The family does not spend too much in preparing traditional activities.

APPENDIX II

The Ten Faces of a PHC Worker

Montawadee Krutmeechai, or Mon for short, is a primary health care volunteer in a Thai village. "I have ten faces" she jokes when asked what her role is in the village. Mon is a facilitator, an initiator, a resource person, a trainer, and above all, a good listener. For in this primary health care project in the north-east of Thailand, the volunteers are development workers of the broadest kind.

Mon started her work in Baan Naa Klaang, a village in Soongnern district, over three years ago. Initially she approached the village committee, a group of influential residents, to interest them in the overall project, which was to improve the health status of the villagers.

However this committee was already too busy with the government programme of rural development and its associated acitivites. They had too little time to be involved in other projects.

In Thailand the government has introduced a rural development programme which aims to meet "basic minimum needs" in all villages. Its critic argue that it is still a "top-down" approach to development where the crucial decisions are made in Bangkok not in the village, and its hidden agenda is "control".

Mon then approached the young people of the village and worked closely with them for some time. Unfortunately their activities were peripheral to the main concerns of the villagers and the group was very unsettled, as members left and returned often for seasonal work.

And now, who does Mon work most closely with ?

"I work with about 15 families who are interested in 'integrated agriculture', the most appropriate use of their farmland for a variety of crops, not just cassava and rice."

The priority is to grow food firstly for their own consumption and only secondly for export. This concept turns national economic 'development' on its head. The more popular concept of development is a high national income from exports and greater domestic spending on goods and services. But the advantages from export-led development rarely reaches those who actually produce the exports.

Thus in the north-east of Thailand there is still a 37% malnutrition rate among the pre-schoolers, and the nationwide coverage of safe drinking water in rural areas remains at 66%. Yet the government brags a 9% economic growth rate.

In Baan Naa Klaang, a sizeable village of over 2,000 people, many families carry a twenty or thirty thousand baht debt (US $800-1,200). Others have debts of over a hundred thousand. The average annual income for farmers in the north-east is less than 7,200 baht (US$ 288). This is the real crisis in the rural villages of Thailand.

The CHAIRMAN. Thank you very much, Mr. Phillips.

Mr. Eberstadt.

STATEMENT OF NICHOLAS EBERSTADT, AMERICAN ENTERPRISE INSTITUTE, WASHINGTON, DC.; AND HARVARD CENTER FOR POPULATION STUDIES, CAMBRIDGE, MA

Mr. EBERSTADT. Mr. Chairman, it is always a pleasure and honor to be invited to testify before your committee.

Insofar as I only spoke to the committee staff on Tuesday, I would like to ask opportunity to submit a written statement in a few days.

I have already submitted for the record three studies which I have prepared on general topics we are addressing, and I am asking with your permission for these to be submitted into the record.

The CHAIRMAN. They will be inserted in the record as if read.

Mr. EBERSTADT. Sir, too often the children of the world have no voice. Others must speak for them. It is, therefore, essential that those persons who take that task upon themselves represent the plight and condition of the world's children accurately, identify the problems threatening them reliably, and propose solutions that are likely to reduce rather than to increase the threats to vulnerable groups.

Unfortunately I am not confident that the current state of discussion on the condition of the world's children serves these important purposes. If I might, I would like to devote a few minutes to some serious misconceptions about the state of the world's children, misconceptions in some cases that not only frame our current views but may even be framing policy.

I would like first to say a few words about the nature of the so-called debt crisis and flow of resources to less-developed countries.

For many years the World Bank has reported that an enormous negative overall transfer of resources has been occurring in the poor countries, with net flows going from poor countries to rich ones.

The Organization for Economic Cooperation and Development, the OECD, challenged the World Bank on this assertion at the end of 1988 and said in effect that World Bank figures might be seriously misleading. In response to that criticism, the World Bank has seriously amended and revised its estimates of transfers of resources from the Third World to the so-called industrialized countries in the past few months.

Even so, the newly revised and redone figures of the World Bank are not yet fully consistent with levels estimated by OECD. According to the OECD there is a net and continuing positive resource transfer—from rich countries to poor countries—even to this day. The factual accuracy of the negative transfer, in short, is questionable.

It is important to understand and appreciate the magnitude of the resource transfer that currently is occurring between rich countries and poor ones. Since 1971, according to OECD figures for net disbursements adjusted to our current purchasing power, the rich world, the industrialized countries, have provided the equivalent of two, almost three Marshall plans for the sub-Saharan area.

Since the 1950's they have provided a total net disbursement of almost $2 trillion, adjusted for inflation, from rich countries to poor.

If you want to ask how much $2 trillion would be is, that is the equivalent in today's prices of three U.S. farm systems, three U.S. food systems. It is almost twice the net worth of all U.S. millionaires when last estimated by the U.S. Government.

An enormous volume of potentially productive resources has been transferred and continues to be transferred to less developed countries. What happens to children under those circumstances is another question, and may make us wish to focus on the actions of recipient governments.

One hears a great deal today about a general worsening in the condition of health and education of children in low-income countries. It is important to emphasize the fact that much less than 10 percent of the population of today's less-developed countries live in countries that the U.N. Population Division judges to have relatively complete registration of births and deaths. There is no sub-Saharan African country in which the U.N. judges a complete or reliable registration of births and deaths to be taking place.

Under such circumstances, estimating changes in infant mortality from one year to the next would seem rather problematic. I would mention, however, that one of the best organizations attempting to estimate such trends is our Census Bureau.

According to the researchers at the Census Bureaus' Center for International Research, there is no evidence of a secular rise in infant mortality in any Latin American country during the 1980's, and to date no evidence of a secular increase in infant mortality in any of the sub-Saharan countries during the 1980's.

As for enrollment and problems with school, UNESCO figures maybe problematic, but UNESCO is seen in many quarters as an authoritative source for educational statistics.

According to the latest UNESCO statistical yearbook enrollment ratios for children ages 6 to 11 and 12 to 17 in the developing countries continue to rise and have been rising from 1980 through 1985 and up to 1987. Clearly there is much that needs to be done and remains to be done for the world's poor and the world's children. But to state that there is a general worsening of their condition is clearly not a statement supported by the facts. Thank you.

[The prepared statement of Mr. Eberstadt follows:]

Prepared Statement of Nicholas Eberstadt

For the second year in a row, the United Nations Children's Fund (UNICEF) has issued a dire and alarming assessment of the condition of, and prospects for, the world's children. According to these reports, a major—perhaps the major—hazard threatening children in less developed countries (where the great majority of the world's children are to be found) arises from the forces of international finance. By this interpretation, what has come to be called the "Third World Debt Crisis" directly imperils the wellbeing, and even the very lives, of millions of children around the globe today.

The "debts" to which UNICEF refers, of course, have not been contracted by the children in question, or by their parents. They are, in fact, not owed by any private individuals. Instead, they have been incurred by governments.

Over the past two decades, sovereign states throughout the low-income regions have arranged to borrow great sums of money from abroad. By one authoritative estimate, the long-term external debt owed by governments and governmental organizations from developing countries approached one trillion dollars U.S. at the end of the 1980's.[1] As the 1980's progressed, many of these governments failed to meet the scheduled terms of repayment. (The inability, or unwillingness, of a government to honor such contracts has come today to serve as the defining characteristic of a "debt crisis," and is also its proximate cause.) Now, UNICEF warns, millions of blameless children will suffer and die if international lenders should insist upon full payment of loans they extended to Third World governments.

UNICEF's warnings have taken their most comprehensive form in its The State of the World's Children, the survey and analysis it issues each year. In the 1989 edition, UNICEF estimated that over half a million children under the age of five were dying in the developing world every year as a direct result of the ongoing "debt crisis." [2] According to the 1990 edition of The State of the World's Children, "poverty, child malnutrition, and ill health are advancing again after many decades of retreat," and "the sine qua non of a resumption of human progress" in many regions of the world is now "some significant reduction in debt servicing." [3]

In UNICEF's analysis, "the poorest and most vulnerable children have paid the third world's debt with their health * * * the poorest and most vulnerable children have also paid the third world's debt with the loss of their opportunity to be educated" (emphasis original).[4] Deteriorating health and educational conditions, in this reading, are largely due to cutbacks in services and other "adjustments" in government policy designed to maintain international creditworthiness and to facilitate payments on overseas debts. In many countries, UNICEF concludes, "millions of children" are today "unnecessarily exposed" to "the sharpest edges of the adjustment." [5]

UNICEF may be the most authoritative and articulate voice today suggesting that debt servicing obligations of governments in low-income areas are prejudicial to the interests of the poor and the vulnerable, but it is hardly alone. That view is widely shared by contemporary students of what is called "development policy." It is also evident in the statements of many world leaders. To cite just one example, President Robert Mugabe of Zimbabwe was recently quoted as saying that "few scourges in human history can claim so many victims as today's debt crisis." [6] Nor are such statements peculiar to the leaders of low-income debtor countries. Almost identical quotes could be adduced for leading figures from the industrialized, aid-giving world.

If this interpretation is correct, its implications would be far-reaching and consequential. In recent years, scheduled obligations by governments of developing countries have indicated repayments to international creditors averaging around $150 billion a year (including both interest and principal). If such payments directly reduce the wellbeing of children and other vulnerable groups in debtor countries, a general and immense affliction would seem to have been routinized into the ordinary workings of the current international order. Redress of the injuries wrought by these arrangements would presumably require vigorous remedial measures, and might ultimately entail a bill of hundreds of billions of dollars. No less distressing would be the corollary to such requisite therapies: namely, that the conditions of children and other vulnerable groups had been permitted to deteriorate even though representatives of both low-income governments and international organizations have been authorized, and instructed, to speak on their behalf and guard their interests.

It is impossible to do justice to the entire range of analysis and arguments associated with UNICEF's current viewpoint in a single, brief statement. Rather than attempt to do so, I shall instead examine three issues of fact which are central to the interpretation of events suggested in the most recent editions of The State of the World's Children.

The first is the proposition that existing international financial arrangements are currently draining the developing world of tens of billions, or even hundreds of bil-

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[1] World Bank, World Debt Tables 1989–90, External Debt of Developing Countries, volume 1, Analyses and Summary Tables (Washington, DC: World Bank, 1989), p. 78.

[2] New York Times, December 20, 1988.

[3] UNICEF, The State of the World's Children 1990 (New York: Oxford University Press, n.d.), p. 1.

[4] Ibid., pp. 8–9.

[5] Ibid., p. 8.

[6] Ibid., p. 11.

lions, of dollars each year, resulting in a net transfer of wealth from poor countries to rich countries.

The second is the proposition that health and educational conditions for children in low-income regions have demonstrably deteriorated in recent years, after decades of general progress.

The third is the proposition that government policy "adjustments" in low-income countries, in response to international financial pressures, have evolved in such a manner as to diminish systematically the capability of societies and states to attend to the needs and problems of vulnerable and distressed groups.

Let us examine the evidence concerning each of these propositions in turn.

I

Among students of development and financial specialists alike, the perception today prevail is that net resource transfers are flowing from poor countries to rich ones. In this view, the combination of several factors—floating international interest rates, reduced willingness to lend to low-income governments, and diminishing commitments of overseas development assistance (ODA, or "foreign aid")—resulted in a signal shift in the direction of resource transfer during the 1980's. By this argument, whereas postwar transfers to the developing world had been strongly positive, at some point—perhaps as early as 1982—the direction of flows was reversed. Between 1980 and 1988, according to a recent World Bank estimate, long-term debt service payments for developing countries nearly doubled, rising from about $76 billion to about $133 billion;[7] repayment requirements for shorter-term debts may have risen even more dramatically. New inflows from foreign aid, private investment, and overseas loans were inadequate, by this reading, to cover such obligations. In 1987 alone, according to the World Bank's 1989 World Development Report, the net transfer abroad of financial resources by developing countries approached $40 billion.[8] With the hardening of loan conditions towards developing countries, it is argued, the magnitude of that ostensibly regressive transfer may have increased subsequently.

The notion that the "Third World" is being drained of resources by rich countries, of course, is not a new one, although it appears to enjoy much more currency today than in the past. As with other opinions concerning empirical matters, however, it is the facts rather than the opinions that are ultimately immutable. Close examination of some of the particulars of the international financial picture in the 1980's suggests that the actual circumstances facing less developed countries were considerably different from those commonly depicted.

Measurement of international financial flows and transfers is necessarily an inexact business. Ascertaining the precise volume of flows by category from one country to another is never easy; even under the best of circumstances such estimates are likely to be incomplete, and thus not fully accurate. Standardizing transactions by converting them into a single currency, whether for a given year or over time, is a problematic task, even in theory; there is no single "correct" way to do so. Categories often seem arbitrary (think only of "capital flight," today's term for voluntary overseas investments by private individuals from low income countries whose business climates are deemed to be unfavorable.) The method one adopts in valuing international flows, moreover, can directly affect results: very different implications, for example, might be suggested by an accountancy approach, which would compute the flow of funds on a direct accrual basis, or by an economic approach, which would discount or adjust such flows to their net value in accordance with such things as the competitive cost of capital. Given these and other complexities, discrepancies between estimates, and even errors within estimates, can be almost taken for granted.

Some errors, however, are avoidable. In 1988, the Organization for Economic Cooperation and Development (OECD) conducted a comprehensive review and analysis of available data on financial transfers to developing countries. OECD was well positioned for such a study, insofar as it has been compiling such data since the 1950's, and has for several decades published the authoritative annual report, Geographical Distribution of Financial Flows to Developing Countries. Its conclusions are worth quoting at length: Much of the public concern * * * about the turn-around in the development financing picture between the 1970's and the 1980's has been based on various estimates for net financial transfers which suggest that finance has been

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[7] World Debt Tables, loc. cit., p. 78.

[8] World Bank, World Development Report 1989 (New York: Oxford University Press, 1989), p. 18.

flowing from poor countries to rich countries rather than vice versa. The net financial transfer concept is an arithmetical construct which needs very careful interpretation to yield meaningful conclusions * * * a positive net financial transfer (net capital receipts exceeding interest payments) provides a cash flow which enables imports to exceed exports and thus expands domestic investment and consumption possibilities beyond the level of national output * * * Interpreting the economic concept in this latter way makes it clear that grants which expand domestic consumption and investment possibilities (such as ODA grants) and direct investment should be counted equally with the flows in the net financial transfer equation. Estimates of net financial transfers to developing countries which are restricted to debt financing (* * * for example the commentary accompanying the World Bank's debt tables and World Development Report) give an overly pessimistic view of the current situation.[9] (emphasis added)

In other words: some of the most commonly cited estimates on financial transfers to and from less developed countries had systematically neglected to include major sources of overseas finance in their calculations—sources, moreover, in which the transfer to developing regions was unmistakably and significantly positive!

The World Bank has just recently reacted to such comments and criticisms by revising its estimates. In December 1989, only a few months after the World Development Report mentioned above had appeared, the Bank published a new and dramatically different set of figures on net financial transfers to developing countries during the 1980's. For 1987, the Bank still estimated that the developing countries had experienced a net drain of financial resources, but whereas the previous number had been almost $40 billion, it was now under $10 billion. For 1984, the Bank had calculated that the developing countries had lost about $10 billion in the process of net financial transfers; the new computations suggested that the region as a whole had actually enjoyed a net inflow of almost $20 billion.[10] Under scrutiny, the World Bank evidently changed not only the magnitude of its estimates on these flows, but also their direction.

While these recent revisions eliminate some of the more obvious problems with the World Bank's Third World debt estimates, additional difficulties may remain. It is useful, for that reason, to refer to the perhaps more careful and comprehensive estimates prepared by OECD (see table 1). According to these figures, the net financial transfer to developing countries, whether measured in current or inflation-adjusted terms, did indeed decline substantially after 1982. Even so: the net transfer to the "Third World," by these numbers, appears to have remained strongly positive. From 1983 through 1987 (the most recent year for which figures were available) the estimated annual net financial transfer to developing countries, in current terms, ranged from $20 billion to $34 billion. For these five years alone, in this reckoning, the cumulative net financial transfer to the less developed countries, far from being negative, was actually a positive balance of $135 billion.

Table 1.—OECD Estimates of Net Financial Transfers to Less Developed Countries: 1980–87

[In billions]

Region	1980–82 average	1983	1984	1985	1986	[1] 1987
Sub-Saharan Africa	12	10	8	10	13	16
North Africa and Middle East	9	5	7	8	6	4
Asian LICs	12	12	14	17	17	22
Other Asia	6	9	1	-3	-2	-2
Western Hemisphere	30	-8	-8	-15	-10	-4
Other and Adjustments	8	-2	5	3	3	-2
Total LDCs	77	27	27	20	27	34
Memorandum item:						
Least Developed Countries	10	9	9	10	12	13

Notes: Regions as defined by OECD. [1] Provisional; (a) = Europe, Oceania, unallocated, and other adjustments; (b) = excluding Gulf countries and Taiwan.

Source: Organization for Economic Cooperation and Development, Development Cooperation 1988 Report (Paris: OECD, 1988) p. 53.

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[9] Organization for Economic Cooperation and Development, Development Cooperation: 1988 Report (Paris: OECD, 1988), p. 52.

[10] World Debt Tables, loc. cit., p. 10.

According to these figures, moreover, the two poorest areas of the "Third World"—sub-Saharan Africa and low-income Asia-enjoyed not only strongly positive but increasingly positive net transfers in the period since the onset of the "Third World Debt Crisis." Correspondingly, net transfers to countries designated as "least developed" are calculated to have been greater in the late 1980's than in the years before the "debt crisis."

By these estimates, the "Western Hemisphere"—Latin America and the caribbean—did indeed experience net negative transfers between 19 8- and 1987. Interestingly enough, however, the category of countries described as "Other Asia" also shows a negative net transfer from 1985 onwards. The negative figures for that region, however, do not indicate financial distress. Quite the opposite: countries like South Korea have been achieving substantial balance of payments surpluses, and are now retiring their international debt. Others in the area, such as Taiwan, are now actually net international creditors.[11] If a country is ever to make good on its international debts, after all, it must at some point transfer more capital overseas than it is bringing in from abroad. To put it another way, it must "suffer a net negative financial transfer" someday if its debts are ever to be redeemed.

Both Korea and Argentina apparently experienced negative net financial transfers in the late 1980's. Korea's policies and practices, however, seem to have resulted in highly productive use of borrowed funds, and left its government creditworthy. Argentina's did not. The fact of negative net transfers, when they occur, are therefore less significant than the reasons for them. By the same token, positive net transfers need not indicate the economic health of a country or the financial competence of its government. As OECD cautiously has put it, "the case of Korea * * * illustrates the need for careful interpretation of the net financial transfer concept." [12]

So much for the arguments about financial flows in the less developed countries. What about the widespread perception that terms of lending to the poor countries have hardened severely since the advent of the "debt crisis?"

Here again, data and computations from OECD are instructive. OECD estimates the annual "interest cost" on long-term debt for developing countries; it also breaks these estimates into three broad groupings, corresponding to the country's estimated income level. (The concept of "interest cost" is not precisely the same as that of "interest rate," but for our purposes calculations produced by the two will be very close.) The "interest costs" for long-term Third World debt may be compared with the London Interbank Offer Rate (LIBOR) on long-term loans in dollars.[13] This rate applies in interbank transactions for banks of the highest creditworthiness, and may be taken as an approximation of the interest rate for customers who are deemed to be virtually zero-risk borrowers. Comparison of these two sets of numbers should indicate the extent of concessionality, if any, in lending to low income governments in recent years (see table 2).

According to these estimates and data, total "interest costs" on long-term debt for developing countries as a whole have never been higher than the corresponding LIBOR rate for long-term dollar loans, and usually have been considerable lower. For those groups of countries designated as "Low Income" and "Lower Middle Income"—the poorest country groupings—the LIBOR rate is greater than "interest cost" for every year from 1980 through 1988 (the latest year for which such figures are available). In and of itself, this "spread" indicates concessionality. Overall, lending to countries in these groupings appears to be substantially subsidized—and to continue to be subsidized. In other words, a significant component of the "loans" these country groups contracted during the 1970's were in fact gifts or grants. Concessionality in lending to these governments, one may note, continued to be characteristic after the advent of the "Third World Debt Crisis."

For the group of countries designated as "Upper Middle Income," the picture appears to be somewhat more complex. From 1980 through 1984, their average "interest costs" were lower than the long-term LIBOR dollar rates. Lending during those years, then, was on the whole concessional. In the two most recent years for which data are available, 1987 and 1988, overall lending to this group was also conducted on an ostensibly concessional basis. In 1985 and 1986, however, "interest costs" for this group were higher than the corresponding LIBOR rates.

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[11] Taiwan has typically been excluded from estimates of aggregate trends for developing countries since its replacement by the Peoples Republic of China in the U.N. General Assembly in 1970.

[12] Development Cooperation 1988, loc. cit., p. 52.

[13] Long term lending is defined here as maturities of one year or longer; LIBOR rate is for 1-year loans.

Table 2.—Concessionality in Long-Term Lending to Less Developed Countries: Interest Costs versus LIBOR Dollar 1-Year Rates

[Percent]

	Year								
	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total, LDC long-term debt	8.9	9.5	9.6	8.0	7.8	9.0	7.0	5.7	6.0
Sub-categories (Income Countries)									
Low	4.4	5.0	5.2	5.2	4.5	5.4	4.6	4.3	4.3
Lower Middle	8.4	8.0	8.0	7.2	7.2	7.6	6.3	5.7	5.6
Upper Middle	10.8	11.5	11.5	8.9	9.5	10.3	8.0	6.5	7.2
LIBOR dollar 1-year rate	13.4	16.1	13.7	10.2	11.8	9.1	7.0	7.6	8.4

Notes: Interest costs for less developed countries defined as annual interest effective payments and other changes (including spreads and fees on floating interest debt) as a percentage of disbursed debt at the beginning of the year. Long term debt defined as obligations with a maturity of more than a year. Sub-categories for less developed countries as classified by the United Nations and the World Bank; owing to changes in income groups the data for 1980–83 are estimates of OECD; LIBOR refers to London Interbank Offer Rates.

Sources: For LDC interest costs: Organization of Economic Cooperation and Development, Financing and External Debt of Developing Countries: 1988 Summary (Paris: OECD, 1989) p. 64.

For LIBOR rates: International Monetary Fund, International Financial Statistics, May 1990, p. 66, 1983 Yearbook, p. 66.

One may argue that lending was not characterized by concessionality during those two years. On the other hand, 1985 and 1986 was a period of major defaults and "reschedulings" by a number of governments within this country grouping, and such activity does not improve credit ratings. Thus, one might equally conclude that overall lending to "Upper Middle Income Countries" continued to be concessional during those years—insofar as the actual risk premium for lending to these countries was arguably far larger than "interest costs" would have suggested.

It is true that the degree of concessionality in long-term lending to developing countries appears to have been lower at the end of the 1980's than at its beginning. In 1988, the average "interest costs" for long-term loans to governments in developing countries were about two and a half points lower than the best possible rate for a preferred bank in the West; in 1980, by contrast, that "spread" was about four and a half points, and in 1981 it was over six and a half points. The very early 1980's (and very late 1970's), however, was an unusual and atypical period in international finance, as any specialist would attest. With oil shocks, rapid rates of international inflation, and negative real interest rates at the central banks of the major Western economies, those years were in no sense representative of the previous, or subsequent, experience in the international economy.

In the early 1970's, as it happens, the element of concessionality in overall lending to developing countries was much less pronounced. In fact, overall lending to developing countries was apparently more concessional in the late 1980's than it had been in the early 1970's.[14] Only against expectations framed during the very late 1970's and very early 1980's would current levels of concessionality in long-term lending to less developed counties seem incongruous.[15]

"Debt crisis" notwithstanding, the net flow of funds to developing countries as a whole appears to be strongly positive, and overall lending appears to remain highly concessional. To the extent that there may said to be a general "crisis" in state finance in less developed countries today, it may be more closely related to governments' expectations, attendant policies, and corresponding economic results than to any changes in the actual availability of financial resources from abroad.

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[14] In 1972 and 1973, for example, the discount rate at the U.S. Federal Reserve Bank averaged 6.0 percent. Average "interest costs" for developing country were estimated at 5.0 percent during that period, and about 6.4 percent for "upper middle income" borrowers. Data from IMF, International Financial Statistics Yearbook and OECD, Financing and External Debt of Developing Countries: 1988 Survey.

[15] A borrower may feel pressed, of Course, if he is impelled to repay funds that he has used for unproductive purposes. When lending contains a substantial gift element, the incentives for productive use of borrowed capital may be somewhat less immediately compelling. In the late 1980's, as in the early 1980's, debtor governments, on the whole, could redeem their external debt obligations by earning a lower rate of return on their borrowings than a local entrepreneur, an international business, or even a Western government. Such preferential arrangements may affect the expectations of some beneficiaries.

II

It is widely believed that living conditions for vulnerable groups, including children, have severely deteriorated in many regions of the low-income world during the 1980's. That deterioration, some believe, has included broad and serious setbacks in health and educational conditions. UNICEF clearly subscribes to this belief. According to the 1990 edition ofState of the World's Children, "infant mortality is known to have risen in parts of Latin America and Africa south of the Sahara." [16] Moreover, according to UNICEF, "In the mid-1980's the proportion of children enrolled (in school) began to fall while the total numbers of children continued to grow. As a result, the number of children [aged 6-11] out of school has increased [in 1987] to 60 million—the first significant rise in 4 decades." [17]

The implications of such dramatic statements are obvious. What is less obvious, however, is how such dramatic statements are substantiated.

Take the question of mortality trends. In order to substantiate a rise in infant mortality rates for any country over the past several years, one would need to have a reasonably complete registration of births and infant deaths, preferably released on at least an annual basis.[18] There are exceedingly few low-income countries, however, in which registration data for births and deaths are reasonably complete.

The United Nations Population Division (a unit within the Department of International Economic and Social Affairs) has been compiling and analyzing international demographic data since the 1940's, and has published the authoritative Demographic Yearbook since 1948. According to the 1988 Demographic Yearbook (the most recent issue in print), there are only 14 countries or territories of a million persons or more in the Third World ("developing countries) in which infant mortality registration is "virtually complete" (by which is meant 90 percent completeness or better). Those 14 places are estimated to have had a total population of about 10's million people as of 1988. They would, by the U.N.'s reckoning, thereby account for less than 3 percent of the total population for the developing countries for that year. None of these places, it is worth noting, is in sub-Saharan Africa. Eight are in Latin America or the Caribbean—but one of these is Cuba, which presumably does not suffer from the problems of the capitalist world, and five of the others do not appear to be publishing infant mortality data on a regular annual basis. Thus, for countries composing well over 95 percent of the estimated population of the "Third World," it is immediatel y apparent how one would go about documenting recent year-to-year changes in infant mortality rates.

The U.N.'s Population Division does produce periodic projections and estimates of infant mortality rates for the various countries and regions of the world—with the caveats and disclaimers appropriate for such an exercise. In 1983, it issued global projections of infant mortality rates for the period 1980–85. In 1988, it published revised estimates based on a review and analysis of subsequently available data. The projections and estimates are compared in table 3. On the whole, infant mortality rates for the developing world are lower in the revised series than in the initial projections. (The only significant exceptions to this generalization are Eastern Africa, which was affected by largely man-made famines, and the Caribbean, where new data suggested that infant mortality rates in Haiti and the Dominican Republic had been underestimated previously).[19] If the "debt crisis," whose onset is generally dated from Mexico's suspension of payments in 1982, had significantly affected infant mortality rates in developing countries, one might well have expected revised estimates of infant mortality to be generally higher than initial projections. In this exercise—perhaps the most careful and comprehensive of its kind to date—that did not occur.

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[16] State of the World's Children 1990, p. 8.

[17] Ibid., p. 9.

[18] Results from reasonably complete censuses can also be used to estimate child mortality—but no more frequently than censuses are conducted, and without much indication of year-to-year changes for the interval examined.

[19] As explained in the study's text. See United Nations, Mortality of Children Under Age 5: World Estimates and Projections, 1950–2025 (New York: U.N. Department of International Economic and Social Affairs, 1988), p. 25.

Table 3.—Comparison of United Nations Revised 1986 Estimates of Infant Mortality Rates, 1980–85 With Those Projected in 1982 for the Same Period

[Infant Mortality Rate (per 1,000 births)

Region	Projected in 1982	Estimated in 1986	Percentage Difference
World Total	81	78	—4
More Developed Regions	17	16	—6
Less Developed Regions	92	88	—4
Africa	116	112	—3
Eastern Africa	109	120	+10
Middle Africa	118	117	—1
Northern Africa	104	100	—4
Southern Africa	94	87	—7
Western Africa	135	123	—9
Latin America	63	62	—2
Caribbean	58	65	+12
Central America	56	57	+2
Temperate South America	42	32	—24
Tropical South America	70	69	—1
East Asia	38	36	—5
South Asia	109	103	—6

Notes: Regions defined according to United Nations classification.
Source: United Nations, Mortality of Children Under Age 5: World Estimates and Projections. 1950–2025 (New York: U.N. Department of International Economic and Social Affairs, 1988) p. 25.

These U.N. estimates, of course, are only that—estimates. We can also examine the infant mortality rates actually reported by less developed countries with reasonably complete registration figures, with continuous and unbroken data series, and with estimated populations of one million persons or more as of midyear 1988. Only nine places in the low income world are judged to conform to these specifications, one of which is Cuba. The remaining eight account for barely 1 percent of the population estimated for the developing world (see table 4). One might, in fact, reasonably argue that these places are unrepresentative of Third World infant mortality trends precisely because they are capable of collecting such data on a reasonably reliable and annual basis. Nevertheless, table 4 indicates a pattern of continuous decline in infant mortality rates in these places over the course of the 1980's.

In some countries, reported rates of infant mortality do rise from one year to the next—as indeed they have, from time to time, in some of the countries of the postwar West. But just as in developed Western countries, such upticks, at least to date, look to be variations on an unmistakable overall downward trend. One may note that two of the countries in table 4—Chile and Uruguay-rescheduled their international debts during the 1980's. By doing so, they would currently be defined as "debt crisis" countries. In their particular cases, "debt crisis" evidently did not forestall rapid reductions in infant mortality. Between 1980 and 1987 (the latest year for which figures are available from the U.N.), the reported rates of infant mortality dropped by over a third in Uruguay, and by almost half in Chile.

The United Nations is not the only authoritative organization to examine infant mortality trends in the less developed countries.[20] The United States Bureau of the Census analyzes these as well, although it does not regularly publish projections or estimates of trends. However, according to Dr. Eduardo Arriaga, the Census Bureau's chief specialist on mortality trends in Latin America and the Caribbean, there is to date no evidence of any secular increases in infant mortality in recent years for any country in the region.[21] The corresponding specialist on demographic trends in Africa, Dr. Patricia Rowe, has given a similar reading for the sub-Sahara: while there appear to have been, by her estimate, year-to-year increases in countries stricken by famine or other disasters, there is to date no indication of any sustained rises in infant mortality during the 1980's.[22]

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[20] The World Bank publishes figures on infant mortality and life expectancy, but it appears that conjecture has figured heavily in them. Three successive editions of the annual World Development Report, for example, placed life expectancy in China at 60, 70, and 65! Obviously, mortality variations in China were not the cause of these oscillations. Until a more stable approach is adopted, World Bank figures on mortality should be used with caution.

[21] Personal communication, 4/5/90.

[22] Personal communication, 4/5/90.

Table 4.—Reported Rates of Infant Mortality for Non-Communist Less Developed Countries Judged by United Nations to Have "Virtually Complete" Infant Mortality Registration

[per 1,000 live births]

Country and Region	Year								
	1980	1981	1982	1983	1984	1985	1986	1987	1988
Africa:									
Mauritius	33.0	34.1	29.4	25.8	23.1	24.2	26.4	23.7	NA
Asia:									
Hong Kong	11.2	9.7	9.9	9.9	8.8	7.5	7.7	7.4	NA
Kuwait	27.7	24.1	22.8	19.0	18.5	18.4	15.6	NA	NA
Peninsular Malaysia	24.9	21.0	20.4	20.3	17.5	17.0	15.5	14.4	NA
Singapore	11.7	10.7	10.7	9.4	8.8	9.3	9.4	7.4	[1] 7.0
South America:									
Chile	33.0	27.0	23.6	21.9	19.6	19.5	19.1	18.5	NA
Uruguay	37.0	33.4	29.4	28.3	30.1	29.4	28.0	23.8	NA

Notes: Table includes all non-Communist less developed countries, according to estimates by sourcebook, with populations at million or more for midyear 1988, with "virtually complete" infant mortality registration for 1980 through 1988, and with unrevised and unbroken series for the entire period. "Virtually complete" infant mortality registration is defined to mean registration of ninety percent or more of infant deaths. Regions as classified by U.N. Demographic Yearbook.

NA = not available; [1] = provisional.

Source: United Nations, Demographic Yearbook (New York: United Nations), various issues.

Given the limitations of current information, of course, one cannot state conclusively that infant mortality rates in recent years have continued their decline in each and every poor country, or in all of those whose governments have failed to repay their international debts on schedule. The general lack of data on infant mortality for poor countries, furthermore, may suggest that governments in low-income regions are generally either not capable of, or interested in, charting the condition of their most vulnerable groups with any great accuracy. In and of itself, this would not seem to augur well.

Nevertheless, at least to date, there appears to be no serious evidence to suggest that the broad decline that has characterized Third World infant mortality trends since the end of World War II has been arrested, much less reversed. The assertions that infant mortality rates have been on the rise in African and Latin American countries since the beginning of the "debt crisis" is, quite simply, something other than an empirical conclusion.

What of the contention that the proportion of Third World children enrolled in schools has been declining since the onset of the "debt crisis"? Here, figures prepared by UNESCO may be helpful. UNESCO estimates both gross enrollment—the total number of students in relation to the population of schoolgoing age—and net enrollment—actual proportions of the age groups in question actually in school. The distinction is crucial in many developing countries, where grade school classes often include teenagers, and sometimes even adults.

One should be aware of the margins of error attendant upon these estimates. For many less developed countries, there are uncertainties - not only about the numbers of children actually enrolled in schools, but also about the size of the cohorts from which they are drawn. The decimal points in UNESCO's estimates are obviously unwarranted. False precision notwithstanding, these estimates are nonetheless instructive (see table 5).

Table 5.—UNESCO Estimates of Net Enrollment Ratios by Age Group for Children in Developing Countries, 1980–1987 (percent)

[Age Groups—6 thru 11 and 12 thru 17 years]

Country Category	Total	Female	Total	Female
Developing Countries	69.6	62.5	43.0	36.8
	74.2	67.4	43.8	37.7
	76.2	70.0	44.8	38.4
Africa (excluding Arab states)	58.5	52.5	42.9	34.9
	54.6	50.2	44.0	35.5
	55.8	51.1	45.8	37.3

Table 5.—UNESCO Estimates of Net Enrollment Ratios by Age Group for Children in Developing Countries, 1980–1987 (percent)—Continued

[Age Groups—6 thru 11 and 12 thru 17 years]

Country Category	Total	Female	Total	Female
Asia (excluding Arab states)	70.5	62.8	41.8	35.5
	77.2	69.6	42.1	36.0
	79.7	73.0	42.7	36.2
Arab States	68.1	57.9	42.9	33.0
	71.5	62.8	49.1	39.7
	73.4	65.0	50.8	42.0
Latin America and the Caribbean	82.4	81.9	62.6	61.6
	85.2	84.7	66.2	65.1
	86.3	85.7	68.2	67.2

Notes: Net enrollment refers to numbers of children of designated age groups actually enrolled in schools. Country categories as classified by UNESCO. Decimal points are found in the original estimates.

Source: UNESCO, Statistical Yearbook 1989 (Paris: UNESCO, 1989) p. 2-34.

UNESCO separates children into two groups: ages 6 thru 11 and 12 thru 17, corresponding very roughly to the periods for primary and secondary schooling. According to UNESCO calculations, slightly less than half of all children between the ages of 6 and 11 in developing countries were enrolled in school in 1960. By 1987 (the latest year in its most recent series), the proportion was estimated to have risen to a bit over three fourths. This would be far from universal schooling, even at the lowest grades. Even so, it would be a higher rate of net enrollment for developing countries than ever before. In fact, the gap between net enrollment ratios in developed and developing countries, at least by UNESCO's reckoning, has never before been so small.

In Latin America and the Caribbean, Asia, and the Arab States, to use UNESCO's categories, net enrollment in the primary school ages was estimated to have risen steadily throughout the 1980's. For sub-Saharan Africa, enrollment was estimated to have dropped by several points for boys and girls alike between 1980 and 1985, resuming a rise thereafter. Those numbers may speak to real reversals in educational opportunities for the region during that interval.

One should remember, however, that government statistics are more limited and less reliable in Africa than in any other region of the low-income world. It is not immediately obvious, for example, why enrollment ratios for sub-Saharan teenagers should be expected to rise if they were dropping for children of grade school age, yet this is precisely what UNESCO estimates suggest for the period in question. For children roughly of high school age, incidentally, UNESCO estimates indicate a steady rise in enrollment ratios in every region of the Third World throughout the 1980's.

UNICEF's The State of the World's Children 1990 cites UNESCO for its claim that enrollment ratios have been generally dropping in poor countries. Yet UNESCO's own figures suggest precisely the opposite. UNICEF's claim of an abrupt rise in the late 1980's in the numbers of Third World children not in school looks equally curious. UNICEF does not explain exactly how it arrived at this calculation, and it is by no means obvious how one would replicate the procedures by which it was produced.

The absolute number of children not enrolled in school is a function of net enrollment and the number of school-age children. For UNICEF's posited rise to be valid, and consistent with the UNESCO figures, the number of children aged 6 thru 11 in the Third World would have needed to rise by over 25 percent between 1986 and 1987! For all the talk of "population explosion" in developing countries, such a jump is obviously a demographic impossibility.

As it happens, UNESCO's own numbers suggest that the total number of grade-school age children not enrolled as students in the Third World ("developing countries") would have fallen continuously during the 1980's so long as the cohort of children 6 thru 11 years of age grew by less than 3.5 percent a year. According to projections by the U.N.'s Population Division—another source cited in the UNICEF calculations—that cohort was expected to grow by well under 1 percent a year in "less developed countries," reflecting the significant decline in fertility in much of the low-income world in the 1970's and early 1980's. Whatever their accuracy, figures published by UNESCO and the U.N.'s Population Division point not to a sudden sharp rise in the number of children in poor countries with no access to the grade school classroom, but rather to a steady and continuous diminution in the size of this disadvantaged group.

Of course, even for those enrolled in schools, the quality of education is often decidedly poor. State policies toward education (and health) in low income countries typically leave much to be desired. The tendency to subsidize the privileged and neglect the needy is prevalent. In Nepal, where barely a third of the nation's girls were thought to have been enrolled at appropriate levels in grade schools in 1984, the government was apparently devoting almost equal amounts to college and primary education. In the People's Republic of the Congo, the local government was apparently spending more on higher education than on primary schooling during the 1980's, even though conditions in the country's primary school system were such that UNESCO could not provide as much as a guess for enrollment levels.[23]

It is one thing to judge progress to be inadequate, and quite another to deny its very existence. Systematic misreadings of the condition of the world's children are unlikely to stand the young and the vulnerable in good stead. They may confuse or mislead groups actively concerned with the plight of the most distressed. They may convince potentially helpful citizens and officials that manageable problems are unmanageably large. They may even discourage the adoption of measures and policies whose ultimate and predictable beneficiaries would include large numbers of children in the low-income world.

III

By UNICEF's diagnosis, the "disastrous trends of the 1980's" [24] are directly related to the broad embrace by governments in low income regions of what are today called "adjustment policies." The term refers to a package of measures adopted to improve a government's budget discipline, financial stability, and creditworthiness. Typically, adjustment policies are expected, and intended, to enforce a degree of austerity upon government expenditures. Many of the highly indebted and financially distressed governments in low-income regions in the 1980's were encouraged to embark upon "adjustment" by their creditors.

The State of the World's Children 1990 is sharply critical of most adjustment policies. "The harshness of the adjustment process, its political dangers, and its environmental consequences," the report states, "have not entirely escaped * * * notice." [25] "The problem," it explains, "is that education, health, birth planning services and natural resource protection all involve government spending, a habit most government adjustment programs are seeking to discourage." [26] "The market place can be a brutal place for those who lack the purchasing power to make it serve their needs," it warns—"as the problems facing the children of today's free-market economies clearly show." [27] In UNICEF's view, even concessional lending authorities may play a role in promoting such brutality, for "at the moment, World Bank and IMF loans are conditional on the fulfillment of economic criteria such as reducing public spending and stabilizing the balance of payments." [28] In UNICEF's view, by contrast, "it is now essential to take a wider view of these conditions * * * economic adjustment programs need to take into account * * * social impact * * * The days are gone when financial institutions could confine their concerns to the purely economic" (emphasis in original).[29] UNICEF recommends instead what it calls "Adjustment with a Human Face." While all the practical details of this strategy have not been spelled out, the longest programmatic description of the idea to date commended the approach of the government of Peru—which had then summarily suspended most of its international debt payments in the name of economic growth and social welfare at home.[30]

By the World Bank's count, at least sixty non-Communist governments in low-income areas rescheduled at least some portion of their international debts in the 1980's.[31] Many of these governments announced austerity measures attendant upon the renegotiation of their debts. Moreover, a number of governments whose finances were not in disarray implemented deflationary adjustments and other stabilization policies during those same years. Did "adjustment policies" generally undermine the efforts, or capabilities, of governments in low-income countries to protect the poor and vulnerable in the wake of the "debt crisis?"

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[23] UNESCO Statistical Yearbook 1989.
[24] State of the World's Children 1990, p. 63.
[25] Ibid., p. 63.
[26] Ibid., p. 57.
[27] Ibid., p. 13.
[28] Ibid., p. 61.
[29] Ibid., p. 62–63.
[30] G.A. Cornia, F. Stewart, R. Jolly, Adjustment with a Human Face (New York: Oxford University Press, 1987), p. 235.
[31] World Debt Tables 1989/90, loc. cit., Table VI.6.

Data compiled by the International Monetary Fund can help us address this question. Over one hundred governments in low-income Africa, Asia, and Latin America are members of the IMF and thereby required to share financial and economic information with the organization. On the basis of these data, the IMF estimates the ratio of government spending to national output around the world and over time. One of their series is shown in table 6. This is for the proportion of gross national product comprised by central government expenditures, plus new lending, minus repayments. This measure in effect adjusts for the impact of the "debt crisis," insofar as net payments by government abroad would reduce the estimated size of the government sector.

Table 6.—IMF Estimates of Central Government Expenditures plus Lending, Minus Repayments, as a percentage of GDP: Selected Regions and Countries

	1980	1982	1984	1986	1988
Developing countries	25.6	27.8	25.7	27.9	[1] 28.0
Africa	22.9	24.6	24.6	26.6	NA
Asia	20.7	21.4	20.5	23.3	[1] 22.4
Middle East	37.6	40.1	35.0	34.0	NA
Western Hemisphere	22.0	27.4	24.5	28.5	[1] 30.1
Memorandum items:					
Non-oil developing countries	25.3	27.8	26.4	28.6	[1] 28.7
United States	23.8	25.4	24.6	24.9	[2] 23.3
Major Debt Rescheduling States:					
Ivory Coast	34.9	NA	31.7	NA	NA
Nigeria	NA	NA	14.6	19.2	[1] 24.5
Zambia	44.3	42.8	31.0	NA	37.5
Philippines	14.3	15.4	12.4	17.5	16.5
Argentina	24.7	23.0	19.9	23.1	[1] 22.2
Brazil	23.6	27.7	28.1	35.5	[1] 45.4
Chile	28.7	31.2	31.9	29.3	29.7
Mexico	18.0	30.4	23.3	29.0	26.8
Venezuela	26.2	33.2	22.2	24.0	NA

Notes: Regions as classified by IMF. NA=not available; [1]=1987; [2]=1989.
Source: International Monetary Fund, Government Finance Statistics Yearbook, volume XIII (1989), pp. 94–95.

For a variety of reasons, these estimates are far from perfect. They follow only expenditure by the central government, even though local government and state-owned enterprises often figure prominently in state finance in low-income regions. Data on expenditures are often inadequate: less than a third of the governments of sub-Saharan Africa, for example, seem to provide the IMF with uninterrupted and up-to-date information on budgetary outlays. (The accuracy of such data is yet another matter altogether.) And figures on gross domestic product, as is well known, are frequently problematic. For all these limitations, the IMF's estimates are nonetheless revealing.

In 1980, according to IMF estimates, central government expenditures adjusted for lending and repayments amounted to slightly over a quarter of output for developing countries as a whole. In the United States, by contrast, such spending accounted for less than a quarter of GDP in 1980. By the end of the 1980's, according to the IMF, that ratio was lower in the United States than it had been in 1980, or in fact in any year in the interim. For developing countries as a whole, on the other hand, it appeared to be higher toward the end of the 1980's than at the beginning-higher, for that matter, than any year in between. Even after adjusting for debt repayments, the ratio of government spending to GDP appears to be up sharply not only for such financially pressed groups as the oil-importing developing countries, but for such regions as sub-Saharan "Africa" and the "Western Hemisphere" (i.e., Latin America and the Caribbean). While year-to-year dips can be located in the series, the only broad region in which the ratio dropped substantially appears to be the "Middle East," where expenditures have been constrained by the drop in oil revenues.

Even among the states most prominently featured in the "debt crisis," no clear downward trend in the net share of central government spending is evident to date. In some places, such as Zambia, there looks to have been a substantial drop. In others, such as the Philippines and Argentina, figures are a bit higher, or lower, at the end of the 1980's than at the beginning. Still elsewhere, as in Brazil, the share of government seems to have risen rapidly and inexorably.

Generally speaking, the rise in government's share of the economy appears to have been much more rapid between 1980 and 1982 than in subsequent years. By this timing, it would appear as if the "debt crisis" did indeed affect government spending in much of the Third World. That impact, however, seems to be widely misperceived. Far from suffering a general reduction in the size of government, low-income regions, on the whole, apparently merely experienced a slowdown from an earlier, extremely rapid, tempo of government growth. Only in relation to the pace of expansion in the years leading up to the "debt crisis" would it seem possible to argue that current Third World state spending practices are characterized by austerity.

UNICEF argues that financial pressures have caused cutbacks in health and education programs throughout low-income areas. But programs for health and education have seldom enjoyed a high priority in Third World budgets. Taken together, health and education are currently estimated to account for barely one seventh of current central government expenditures for the developing 29countries (see table 7).

Table 7.—IMF Estimates of Population of Central Government Expenditures Allocated to Health and Education: Selected Groups and Countries

Group of Country	Year			
	1980 -	1982	1985	1988 (or latest year)
Developing Countries	14.7	13.5	14.0	[1] 14.5
Africa	NA	NA	NA	NA
Asia	11.7	12.2	12.1	12.3
Middle East	20.6	16.5	19.4	[2] 20.9
Western Hemisphere	14.8	14.8	14.0	[1] 16.0
Memorandum item:				
Non-oil developing countries	13.9	12.7	12.1	12.8
Major Debt Rescheduling States:				
Ivory Coast	20.3	NA	NA	NA
Nigeria	NA	NA	10.8	[1] 3.6
Zambia	17.4	23.6	18.1	[1] 13.1
Philippines	17.5	24.0	26.1	[1] 20.2
Argentina	10.5	7.8	7.3	[1] 9.0
Brazil	10.0	12.3	9.4	[1] 14.3
Chile	21.9	21.6	19.3	[1] 18.3
Mexico	20.2	14.4	10.4	[1] 8.5

Notes: Regions as classified by IMF. NA = not available; [1] = 1987; [2] = 1986.

Source: International Monetary Fund, Government Finance Statistics Yearbook 1989, volume XIII (1989), pp. 60–61; volume IX (1985), pp. 48–49.

In 1980, according to the IMF, central government commitments for health and education amounted to a little more than 3 percent of GDP for its low-income member governments. Between 1980 and 1987, the percentage of central government spending in GDP, net of lending and repayments, rose by almost three points for developing countries as a whole, and by over three points for the oil importing countries. Thus, even after the onset of the "debt crisis," it would have been possible virtually to double the share of public resources allocated to health and education in the Third World without reducing the share for other activities—if presiding governments had wished to do so.

With very few exceptions, Third World governments did not choose to do so. In a number of countries, the actual pattern of allocations remains unclear. The IMF, for example, is apparently unable to provide estimates of overall public health and education expenditures for sub-Saharan Africa for any year of the 1980's, and has figures on health and education for 1988 for only four specific countries in the region—facts that, perhaps, speak for themselves. In one or two countries, public spending on health and education appears to have virtually collapsed: in 1987, for example, less than 4 percent of Nigeria's central budget was apparently earmarked for such purposes. On the whole, however, the share of government spending for health and education in poor countries seems to have remained fairly constant throughout the 1980's: rising a bit in some countries in some years, falling slightly in others. The same appears to be true for "debt crisis" governments, including governments describing themselves as implementing "adjustment policies" or "austerity programs."

Of course, the volume of expenditure on any program cannot be taken as a measure of its value. As already noted, within the educational sector alone, misallocation of resources in low-income countries appears to be common. Moreover, the material wellbeing of vulnerable groups may be directly affected by public expenditures outside these two sectors—on disaster relief, for example, or on public order, or on extension and improvement of roads. There may be less significance than is commonly supposed in either absolute levels or proportionate shares of government spending on health and education. Be that as it may: the fact is that the proportion of state spending in these areas did not generally fall after the onset of the "debt crisis." Furthermore, it would appear that the typical constraint upon spending in these sectors during the 1980's was not declining availability of discretionary government resources, but rather lack of interest in improving the priority of health and educational expenditures on the part of governments in low-income regions.

As is well known, the 1980's were a time of slow growth, and even recession, in much of the Third World. In and of itself, this deceleration necessarily brought about "adjustments" in local economies. The broad pattern of such adjustments, however, appears to have been rather different from what is commonly assumed.

The United Nations Statistical Office prepares detailed annual estimates on the output and structure of the world's economies. These estimates currently cover the early and mid 1980's, up to the year 1986. Their figures include estimates for total consumption of goods and services—a matter quite closely related to living standards (see table 8). By those estimates, consumption in poor non-Communist countries ("developing market economies") rose at a slightly slower pace during the early and mid 1980's than in the industrialized West ("developed market economies"), and the more rapid rate of population growth in the Third World meant that measured per capita consumption for the low income regions as a whole went basically unchanged. In the West, partly as a result of pervasive "privatization" efforts, consumption by the government sector did not rise quite as quickly as consumption by the private sector. Private individuals and non-government organizations, in other words, appeared to gain a slightly greater say in the ultimate allocation and selection of goods and services consumed in those societies during those years. In poorer regions, on the other hand, consumption by government rose at a distinctly more rapid pace than private consumption. Because growth of government consumption was kept at a pace well above the rate of population growth, per capita private consumption had to fall overall. In the regions hit hardest by economic downturns, the effect upon the private sector was particularly pronounced. In the impoverished sub-Sahara, by U.N. estimates, government consumption almost managed to keep up with the region's rapid rate of population growth, but private consumption per capita appears to have dropped by nearly 10 percent. In Latin America and the Caribbean, per capita consumption by government fell by an estimated 6 percent between 1980 and 1986, but its fall was cushioned by private households, for whom per capita consumption is thought to have dropped by about 9 percent.

Table 8.—United Nations Estimates of Annual Growth in Government and Private Final Consumption Expenditures for Selected Regions, 1980–86

[In percent]

Region or Country	Expenditures	
	Government Final Consumption	Private Final Consumption
Developed Market Economies	2.6	2.7
Developing Market Economies	2.9	2.3
Africa	2.7	1.6
Caribbean, Latin America	1.4	0.8
Asia, Middle East	2.8	3.8

Table 8.—United Nations Estimates of Annual Growth in Government and Private Final Consumption Expenditures for Selected Regions, 1980–86—Continued

[In percent]

Region or Country	Expenditures	
	Government Final Consumption	Private Final Consumption
Asia, East and Southeast (excluding Japan)	5.7	4.7

Notes: Regions as classified by source.
Source: United Nations, National Accounts Statistics: Analysis of Main Aggregates. 1986 (New York: United Nations, 1989), pp. 244–254.

Generally speaking, it would appear that government policies in low-income countries allowed the burden of "adjustment" to fall directly, and disproportionately, upon the budgets of families and private individuals under their authority. To the extent that "austerity policies" may be said to have affected distribution of resources during these "debt crisis" years, it would appear that austerity was in general imposed less on government spending than on the civilian sector. Specific exceptions notwithstanding, it would appear as if low-income governments generally reacted to slower growth in the 1980's by attempting to protect state spending programs, even at the expense of private consumption by local households.

In hard times, such a course of action might seem defensible if private households could not be trusted to protect their own welfare by their spending habits, or, perhaps, if government programs reallocated resources preferentially to vulnerable and disadvantaged groups. Neither of these conditions, however, generally obtains in low-income regions today.

A century of research on home economics in the West, and more than a generation in developing countries, attests to the generally rational economic responses of households in all strata of the income scale.[32] Human beings are, of course, much more than economic machines, and economic calculations do not drive all human actions. Nevertheless, a vast literature may be adduced to demonstrate that spending decisions of households typically serve to reduce risks, and improve welfare, for household members. Even the poorest, it would seem, will commonly attempt to provide for the future, and willingly pay for beneficial services (including schooling and medicine for children). In fact, one might even expect the consumption patterns of poor groups to be more utilitarian and practical than for more affluent groups, insofar as the margin for error is narrower, and the penalties for miscalculation and misallocation are vastly greater.

As for Third World government spending programs, suffice it to say that there is little evidence of any general preference for the vulnerable, much less the disadvantaged. If attentiveness to the condition of the poor governed the flows of state funds in low income countries today, one would not expect prevailing policies to drain the countryside (where poverty is typically more severe) and subsidize the cities (where living standards are typically higher). Yet with few exceptions such "urban bias" has been characteristic of state finance in low-income countries since the end of World War II.[33]

Few studies have been attempted to map out the overall incidence of fiscal transfers within low-income countries. Those that have seem to document a pronounced tendency for subsidy and benefit to accrue not to the vulnerable, but rather to the privileged: university graduates and attendees, civil servants, unionized labor, organized urban constituencies, and, of course, army and security forces. Perhaps not coincidentally, it is precisely such groups that can typically threaten the stability of standing Third World governments; impoverished, remote villagers and helpless children generally do not pose a corresponding challenge.

The subsidies meted out by Third World governments are often considerable. In addition, a recent World Bank study indicates that losses from their state-owned enterprises—which engage in everything from wine making to jet transportation to manufacture of high-priced, unsalable goods—sometimes constitute a greater share of national income, even in "debt crisis" countries, than does defense spending in the United States![34]

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[32] For a succinct summary and interpretation of such research, see the Nobel address by Economics Laureate Theodore W. Schultz, reprinted in his Investing in People (Berkeley, CA: University of California Press, 1981).

[33] This theme is further developed in Michael Lipton, Poor People Stay Poor (New York: Oxford University Press, 1977), and his subsequent work.

Household consumption in poor countries is affected not only by the incidence of transfer, but by the impact of economic regulations. Very commonly, these confer disadvantage upon groups already poor. Overvalued exchange rates I for example, are common in low-income regions—especially in "debt crisis" countries. Overvaluing a local currency may make it easier for more privileged groups to obtain or purchase preferred goods from abroad, but it correspondingly reduces the employment opportunities for the poor by making their ordinary output (so-called "labor intensive goods") less competitive in world markets.

Peru, whose approach to the "adjustment" is deemed commendable by UNICEF, offers a case in point. A recent study examined Peru's structure of subsidies in some detail. It deserves to be quoted at length: Several features of Peru's poor have important implications * * * First, most poor households are located in rural areas; second, most subsidies that affect rural areas do not reach the rural poor; third, the rural poor often produce much of what they consume. These facts suggest that correcting many of the distortions affecting Peru's agricultural sector may not directly harm the poor. For Peru's urban poor, the case is more complicated, but the conclusions much the same. Regarding food subsidies and taxes, were all these dropped the net (immediate) effect may well be favorable as the prices of wheat and wheat products, including those related to health and education, could be changed in ways that benefit the poor and, in some cases, reduce overall public sector expenditures.[35]

Whatever one may think of the ordinary workings of the marketplace, its results are likely to be decidedly more brutal if government policy systematically restricts and reduces purchasing power among vulnerable households within the society under its authority. Some Third World governments seem to have embraced just such an approach to "adjustment" in the 1980's.

Generally speaking, one may note that the practices of such states do not appear to have improved their creditworthiness. They may, however, have imposed additional and unnecessary risks upon disadvantaged strata in their own populations. Fortunately, low income households generally act to minimize the adverse impact of economic shocks or disequilibria upon their members. Similar intentions, however, are not always evident in the policies of their governments.

IV

The essence of UNICEF's assessment is represented by a sample of citations from The State of the World's Children 1990:

No one wanted the debt crisis * * *[36]

The consequences are falling in totally disproportionate measure on those who are least responsive for the debt and have the least capacity to repay * * *[37]

No economic theory or political ideology can justify even a temporary sacrifice of children's growing minds and bodies * * *[38]

Further debt reduction by Western governments (particularly for Africa) and further writing down of loans by Western banks (particularly for Latin America) is the only direction which leads anywhere for anyone* * *[39]

The fact of the matter is that significant increases in aid will have to be paid for by the taxpayers of the industrialized nations* * *[40]

In other words: forgive Third World governments their debts, and provide new funds, or the children are going to get hurt.

Over the past forty years, proponents of increased concessional transfers from Western taxpayers to Third World governments have offered a variety of arguments in their proposals. A generation ago, the argument was often that such transfers could help accelerate development by contributing to state planning efforts. Fifteen years ago, one often heard that such transfers could finance a new, more equitable, international economic order, in which the power of the Third World states would be appropriately augmented. Today's version may not be substantially different from earlier variants, but it is far more compelling. Unlike many of the governments presiding over them, the Third World's children are manifestly innocent and vulnerable. Furthermore, unlike the governments presiding over them, they cannot plausibly be held responsible for the circumstances in which they find themselves.

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[34] World Development Report, 1988, p. 172.

[35] Paul Glewwe and Dennis de Tray, "The Poor in Latin America during Adjustment: A Case Study of Peru," World Bank LSMS Working Paper No. 56, 1989, summary.

[36] State of the World's Children 1990, pp. 11.

[37] Ibid.

[38] Ibid.

[39] Ibid, p. 55.

[40] Ibid, p. 57.

Despite its emotional force, however, the vision of children being directly endangered by repayment of their government's debts is fundamentally inconsistent with much of what we know about trends in the Third World in the 1980's. "Debt crisis" notwithstanding, financial resources from the West continue to flow to Third World governments, and terms of lending to these governments generally remain concessional. "Debt crisis" notwithstanding, there is no reliable statistical evidence to date to suggest that the general postwar trends in health and educational progress have been arrested, much less reversed, in any broad region of the "Third World." "Debt crisis" notwithstanding, the role of the state in Third World economies appears to have increased, not reduced, during an era of widely proclaimed "adjustment" and "austerity."

Such systematic misreporting of events is not only unfortunate, but ironic. For there does appear to be a connection between the "debt crisis" and needless distress on the part of children in the Third World. The link is to be found in the attitude and practices of Third World governments.

While the "debt crisis" may have been the result of many factors, a pervasive and propelling element was the extravagant and unproductive use of borrowed international funds by a large number of governments in developing areas. It is significant, and telling, that delinquencies and "reschedulings" on a grand scale commenced only after that time in the early 1980's when real interest rates in the international marketplace once again became positive. From then on, at least a portion of Third World borrowings required productive applications if- they were to finance their own repayment.

The outlook which intensified, and perhaps created, the financial difficulties of so many low-income countries in the early 1980's is also recognizable in the subsequent widespread resistance to genuine austerity measures—and in the evident willingness to shift the pain of the "adjustment" process directly onto the backs of private citizens. One may also identify it in the policies and practices that reduce overall consumption for poor groups, while protecting or subsidizing living standards for privileged groups, during periods of economic stress.

Whatever else may be said about it, the "debt crisis" has helped to clarify the taxonomy of governance in the contemporary world. As it happens, the very states which request, and require, large-scale and continuous concessional transfers from abroad to maintain their operation seem to be among the ones least averse to the prospect of exposing children (and other vulnerable groups under their administration) during periods of financial difficulty. If these governments are beset by crisis, it is only incidentally a-crisis of finance. The defining scarcity accounting for such behavior is not to be found in the realm of revenue. In the final analysis, it is not the lack of state resources, but rather the lack of state accountability, that imperils the neediest most in low-income countries today.

Such accountability, one may note, is unlikely to be encouraged by forgiving governments loans they have already obtained and spent, or by arranging new, emergency transfusions of consessional capital to underwrite otherwise unsustainable programs and practices. Nor are the prospects for the children of low income countries likely to be improved by those advocates who would revitalize the now aging movement for massive, unconditional global transfers on the strength of their plight.

The CHAIRMAN. Thank you.

Dr. Berggren.

STATEMENT OF DR. WARREN BERGGREN, DIRECTOR, PRIMARY HEALTH CARE, SAVE THE CHILDREN, WESTPORT, CT

Dr. BERGGREN. Thank you, Mr. Chairman. Thank you for this opportunity to testify. For the record, my name is Warren Berggren. I am a physician. My specialty is public health, and I serve full time as director of the primary health care for the Save The Children federation.

My purpose today is to tell how Save The Children works for children's health in Third World nations, and most of what I have to talk about is work that has received part of its financial support from the child survival funds of the Agency for International Development.

Being a private voluntary organization, we have a grassroots view rather than the global view that has been very ably presented today. Simply stated, Save The Children's health strategy is to enable families and communities to solve their own health problems to the extent possible, and I am very encouraged by how much the communities we work with have found it possible to do. My complete statement includes illustrations of what they are doing.

AID, UNICEF, WHO, and national governments have done a tremendous job, a terrific job of getting the coverage rates up to what we just heard that they are now, and our question is how will those be maintained, and I will give just one of the vignettes that I want to share to show how these can be maintained, how the people that are the recipients of these interventions for the health of their children are able to maintain what they have just gained through child survival projects.

In Sudan last month I sat with a group of village leaders that comprised the health committee for a cluster of villages with a total population of nearly 2,000. Through an interpreter I asked them why 31 of their children were still not up to date on their immunizations. And to my great satisfaction they immediately asked who those children were.

By the time we read to the end of the immunization list, it was clear that my list was out of date by more than a month and that there were fewer than a dozen children in those villages who were still behind in their immunization series.

Furthermore, the village health committee expressed determination not to allow such a lapse in the future. Finally, all these facts were confirmed by my visits to a sample of homes where parents proudly showed me their families' personal health records.

At another stop our Save The Children evaluation team met a young health worker picking up vaccines at the district health center. He had the names of the children and the women from his service are who required immunization and was putting the required number of vaccine vials in his ice-lined vaccine carrier. He had made appointments to vaccinate the women and the children the next day, had collected his truck fare from his health committee, and had made the 2-hour trip from his village to the district health center in an itinerant market truck.

The next afternoon our evaluation team found the health worker in his village in the company of his village health committee. At present all present were very satisfied that the children and women had been immunized on schedule and that their cards and rosters were marked to document the fact.

I feel that this story represents enthusiastic adoption of the behavior of getting children completely immunized by the time they are 1 year old. It is the participation of the community and the adoption of that sort of behavior which will assure the continuation of the gains already made.

There is much more to tell and it is in the complete statement. I want to offer that if I can be of help in answering questions for your committees, for your committee staffers, I would be delighted to do that at another day.

[The prepared statement of Dr. Berggren follows:]

PREPARED STATEMENT OF DR. WARREN L. BERGGREN

Thank you for the opportunity to testify. My name is Warren Berggren. I am a physician whose specialty is public health. I have practiced 16 years in rural villages of developing countries and, during the rest of my 35 years as a physician, have been teaching, doing research in health, consulting or seeking funds for health projects in developing countries. I serve full time as director of primary health care for Save the Children Federation.

My purpose today is to tell how Save the Children, like other U.S. private voluntary organizations, has chosen to work for children's health in Third World nations. Most of what I have to talk about is work that has received part of its financial support from the Agency for International Development. Specifically, support has come through child survival cooperative agreements managed by the Office of Private Voluntary Cooperation in the Office of Foreign Voluntary Assistance.

A STRATEGY OF SELF-HELP

Simply stated, Save the Children's health strategy is to enable families and communities to solve their own health problems, to the extent possible. The self-help strategy often needs considerable outside help to get it started but its potential for long-term sustainability makes it worth the investment. Fifty years ago, when American mothers became convinced that they had to stop polio, their campaign was called the "March of Dimes." Undeterred by the implied derision, those dimes marched on, gathering further support to catalyze one of America's major health victories. That victory has been sustained for 30 years as one generation passes the vaccine and the motivation to the next to protect their children.

I am very encouraged by how much the communities we work with have found it possible to do. I want to describe it through a few vignettes of what they have done. The vignettes refer mainly to what I saw last month in Sudan, but they are illustrative of what 1.5 million people in Save the Children projects in 20 countries are doing.

The process of family and community enablement followed by Save the Children in each of its projects occurs in several steps. At each step it is important to engage the participation of the families and their community leaders. Furthermore, the programs and staff of the nation's formal health care system must not only be respected but must be involved in the steps of the process. The steps are:

- Assessment of health problems,
- Identification of the appropriate protective behaviors,
- Motivation and training in the behaviors,
- Monitoring behavior and its outcomes,
- And use of the monitoring information and training to negotiate for a fair share of national or international health resources.

Compared to the academic rationalization I have given, the actual implementation or the strategy is more chaotic and more interesting. For these reasons, I will get on with the vignettes I promised.

IMMUNIZATION

In Sudan last month, I sat with a group of village leaders that comprised the health committee for a cluster of villages with a total population of nearly 2,000. Through an interpreter, I asked them why 31 of their children were still not up to date on their imuunizations. To my great satisfaction, they immediately asked who those children were.

By the time we read to the end of the immunization list, it was clear that my list was out of date by more than a month and that there were fewer than a dozen children in those villages who were still behind on their immunization series. Furthermore the village health committee expressed determination not to allow such a lapse in the future. Finally, all these facts were confirmed by my visits to a sample of homes where parents proudly showed me their family's personal health records.

At another stop, our Save the Children evaluation team met a young health worker, picking up vaccines at the district health center. He had the names of the children and women from his service area who required immunization and was putting the required number of vaccine vials in his ice-lined vaccine carrier. He had made appointments to vaccinate the women and children the next day, had collected his truck fare from his health committee and had made the 2-hour trip from his village to the district health center in an itinerant market truck.

The next afternoon, our evaluation team found the health worker in his village, in the company of his village health committee. All present were very satisfied that the children and women had been immunized on schedule and that their cards and rosters were marked to document the fact.

MALARIA CONTROL

A group of 18 Sudanese village leaders came to participate in our evaluation team's debriefing. From the records kept by the local health trainers, we were able to assess the death toll taken by a malaria epidemic among the 18,000 people represented by the leaders. They had lost 139 children under age 5 and 9 new mothers during a period of 6 months. Furthermore, they had lost 20 children in their preteen years and 32 of their senior citizens during the same months.

Thanks in part to Save the Children's Child Survival Project, medicine to treat malaria had been present in the health posts of the area. The distances to treatment, however, were too great for many of the families.

To prevent such a catastrophe from ever happening again, the leaders are now putting into practice a revolving fund system which will assure that malaria medication is immediately accessible in every village at an affordable cost. Furthermore, malaria control technicians from the Ministry of Health, after viewing a graphic display of the loss of life, have kindly offered to visit the area. They may be able to teach schoolchildren to identify and control the mosquito breeding sites. Furthermore, support for investigating the effectiveness of bed-nets is being actively sought by Save the Children's project staff with the help of the World Health Organization s malaria control advisor.

CONTROL OF DIARRHEAL DISEASES

Village leaders praised the help Save the Children gave them to dig wells and install durable pumps and the means to maintain and repair them. They were well aware of the importance of clean water for health and asserted that their children now suffered less frequently from diarrhea than they had before.

We met with 12 health workers whose records showed that they had trained more than 11,000 women in the new behavior of treating diarrhea by oral rehydration. The training had been done in groups of 10 to 30 mothers. The methods used had been participatory, leading the mothers to feel a commitment to each other and their families to treat this life-threatening disease correctly.

Our home visits to a large sample of homes affirmed that over 75 of mothers could explain correctly how to treat a case of diarrhea and thereby prevent both the dehydration and the malnutrition which often result from attacks of diarrheal diseases. Furthermore, two-thirds of the mothers that we visited reported having actually used the method at least once to treat one of their family members.

The country's supply of packets of oral rehydration salts had been interrupted for 6 months by an incredible bureaucratic impasse at the seaport. The mothers had participated in excellent training, however, and knew how to substitute certain home-available fluids for the missing packets.

MALNUTRITION

The Sudan project identified a serious problem of low weight for age among children of preschool age. Although project staff respond with emergency food supplements and nutrition counseling, for the present, it is Save the Children's Mali Program which best illustrates a nutritional intervention which may be sustainable in the long term.

Rather than permit the major portion of their annual grain crop to be sold from the village shortly after harvest, some villages have learned to construct improved granaries to store the bulk of their harvest. The grain is then available at an affordable price 9 months later when the market price of grain is high. In the meantime, in order to supply their need for cash to purchase necessities, the villagers have organized a system of credit which is assured by the grain which the borrower has stored in the granary. The profit gained from interest and the higher sale value of the grain repays the initial loan made by Save the Children for construction materials. Profits above the loan repayment level are used to support new projects the villagers wish to undertake.

SUMMARY

These stories are only a few of the outcomes of 4 years of planning, training, monitoring, and meetings with health and political authorities at every level, from the capital city to the village. Today, they are illustrative or sustainable self-reliance that was recently acquired by approximately 1.5 million people living in the nomadic camps, rural villages, and city slums of the Third World where Save the Children works.

We think other villages can learn the same self-reliant behaviors, and we expect to spend the next 3 years making as much of that learning happen as is possible. We also hope to document the outcome of the process and the methods that were essential to making it happen so that others, particularly development organizations and Third World governments, can improve on them.

A health strategy based on self-reliance is neither cost-free nor simple to implement but has admirable potential for liberating mothers and children from preventable deaths and disabilities in a sustainable manner. Save the Children and other private voluntary organizations have achieved important successes with the method, thanks in large part to support from the centrally funded Child Survival Program. As you prepare and approve budgets for overseas aid I hope you will remember these stories.

Please continue to identify specific funds in those budgets to support the kind of work I have told you about. We want to help you continue to make a long-term impact on the health of mothers and children. If I can be or help to you or your staff by answering questions, today or some other day when I can come to this city, I would be delighted to do so.

The CHAIRMAN. Since you follow the statistics on children in the Third World and Dr. Eberstadt also follows them, I detect a difference of view here and I am trying to figure out who is more correct.

Dr. Eberstadt, I think, feels that the statistics are flawed because they do not keep records. I think you, Dr. Berggren, feel that the records are roughly accurate. Am I stating correctly what each of you say?

Dr. BERGGREN. The records that we can find when we are actually working in communities where they have taken the responsibility to keep their own records and we can supervise those, we find very good. They are trying to get the services, and they do not falsify those records.

When we go to governments sometimes they have some need to show a result that may not always be the situation that prevails.

The CHAIRMAN. Dr. Eberstadt.

Mr. EBERSTADT. In local communities records can often be kept quite carefully. The problem is in attempting to get a record that represents the trends of an entire country. Estimates of infant mortality levels are problematic for many areas in the Third World.

The CHAIRMAN. But when you have these broad statistics that 45 percent of the deaths in Pakistan, India, and Bangladesh are children under a certain age, would that be applicable?

Mr. EBERSTADT. Pakistan and Bangladesh and India have varying degrees of accuracy and completeness in the data underlining their under 5 death rate estimates. It is possible to get a fairly good estimate for a long period of time for an intercensus period, say, between 1971 and 1981. Changing or charting changes in year to year rates is much more difficult.

The CHAIRMAN. I think Mr. Grant might have some light to shed on this.

Mr. GRANT. I would agree very much with Mr. Eberstadt's last comment that we—at the times of the census we get a firm fix and, as I said in my testimony, one of our great challenges is how on the human sides do we get an annual ideally even a quarterly assessment.

Now, what I would stress is first statistics are weak in this area. I did indicate that in 1973 you could not even get the statistics on infant mortality out of the state planning bureau in New Delhi, and this is a recent development, and so what the real push has been on is how do we improve this, how do we give at the country levels, how do we get countries to do a better job.

And as it has been very clear in the 6 or 7 years, for example, since we have made infant and child mortality a major indicator of progress in countries, that the quality of effort going into this has doubled, trebled, quadrupled in countries.

But there still are major differentials. For example, I would refer to Jordan earlier. The Jordanians who were questioning the figures that the U.N. used that were worked out by the statistics people in the U.N. with the U.S. Census Bureau, and when we actually did a major survey on the ground, it indicated that probably the infant mortality figures that were being carried in Jordan were some 20 percent higher than using these on the ground techniques.

So that I think we would all agree in this field that we have a major stake in proving the statistics. They are significantly better today than they were 5 years ago, but they need to be improved very substantially in the period ahead, and it is one that I think all of us are concerned with.

The CHAIRMAN. Thank you very much.

Mr. Phillips, do you have any thoughts?

Mr. PHILLIPS. If I could add a comment to this, certainly the data are not perfect. There is no question about that.

At Foster Parents Plan, right or wrong, we do not focus on the big, big sets of data. We focus on that individual family, that individual child. And there has been progress. There has been very good progress, and we see it one plus one plus one which adds up to the multitude, but it is still not enough, and I think that that is the issue that we have to focus on is what more can we do because the conditions are frankly intolerable.

The CHAIRMAN. Mr. Phillips, you said that child survival programs or projects—programs really—are not good enough. What other steps besides ratification of the children's convention would you take?

Mr. PHILLIPS. Oh, OK. When I was talking about that I was talking about within the framework of the field programs that the child survival programs all by themselves, though good by themselves, are not enough in order to improve the whole state of the child's life. They need to be supplemented by supplementary programs for clean water, good sanitation, for good education, for good vocational and secondary educational opportunities and ultimately for sustainability for incomes for their families so that the families can afford as families in many other parts of the world do to pay for their own ongoing health care.

So, incomes and ways to earn money are very, very important to sustain the child's survival revolution.

The CHAIRMAN. Mr. Phillips, also you were chairman of the interaction working group on behalf of the Convention on the

Rights of the Child. What specific steps are being taken to secure the ratification, to achieve U.S. ratification?

Mr. PHILLIPS. We are doing everything we can think of to support the ratification. We are reaching out to the members of interaction and to the other organizations such as the General Federation of Women's Clubs, the Junior Leagues, et cetera, to get them to activate their members, and clearly one of the steps—and we have heard that it has had some effect—is to have members contact people in Senate, have members and donors across the country contact people in the administration, and several times I have had conversations with people in the administration. They say this is a popular issue and that surprises them I think. They are hearing that Americans care about children.

So often when I talk about foreign assistance in general the reaction is well, we do not want it say the taxpayers, and I know you have heard that. But when I talk about specifically helping children through foreign assistance, public or private, they say well, of course. So, it is activating that normal caring that Americans have focused on children and getting them to contact people such as yourself to say "Yes, go for it."

The CHAIRMAN. On a per capita basis does any other nation do as much for children outside their own country as do we?

Mr. PHILLIPS. That I do not know. I am sorry, I do not have that kind of information.

The CHAIRMAN. I would think the answer probably would be that we lead the world.

Mr. PHILLIPS. I think in terms of the voluntary public sector——

The CHAIRMAN. Maybe the Scandinavian countries do more. I am not sure.

Mr. PHILLIPS. Right. They may well, but in terms of the voluntary public sector, we are doing a great deal, but it is not enough.

The CHAIRMAN. If you find that information available outside the United States maybe you could send us a letter and we would submit it for the record.

Mr. PHILLIPS. I would be glad to.

[At the time of printing, the information referred to was not available.]

The CHAIRMAN. We would like to do that.

Mr. Berggren, how would you assess the efforts that we are making overseas to help children? Are they pretty effective or are they like Don Quixote, just hitting a windmill?

Dr. BERGGREN. I think they are better than anything I have seen in 35 years. I think they can be greatly improved.

I think that the way that Foster Parents Plan and other private voluntary organizations such as Save The Children are working at the grassroots level is terribly important or the even the gains that we have right now cannot be sustained.

It requires a behavioral change which meets these resources that are being put into it now. Resources will not finish, will not do the job that we hope will be done, but we do not want to lose what is already there. We feel that we would like to see this committee and others support the specific identification of funds in the budgets that go for foreign aid so that children are not forgotten on them.

The **Chairman**. Well, I thank all of you gentlemen very much indeed for being with us, Dr. Eberstadt, Dr. Berggren, and Mr. Phillips. The record will be kept open to receive your answers and any other questions that may be addressed by my colleagues.

Mr. Grant, thank you all for being with us. The hearing is adjourned. [Whereupon, at 4:40 p.m., the committee adjourned, to reconvene at the call of the Chair.]

APPENDIX

PREPARED STATEMENT OF DR. MILTON AMAYUN AND THOMAS R. GETMAN

STATE OF THE WORLD'S CHILDREN IN 1990 WORLD VISION'S PERSPECTIVE

World Vision is a Christian, humanitarian organization founded in 1950. The first beneficiary of World Vision's activities was a Taiwanese girl named White Jade, an abandoned and sick orphan who needed external support for survival. From that one, single orphan, the work of World Vision has expanded to include 1 million sponsored children today. After 40 years, World Vision's original goal remains to minister to children and their families by providing a basic level of physical, mental, and spiritual support which enables children to reach adulthood.

The focus of World Vision's reason for living is the welfare of children. Although the approach may vary from country to country, either through direct support for a child's education and health, or assistance to mothers and families, or disaster relief and rehabilitation, or community development and leadership training, the primary beneficiary of World Vision's activities is the child.

World Vision's work is carried out through an international partnership of support and field offices managing and supporting programs in 80 nations around the world. There are over 3,000 out of 5,500 projects which have one or more child survival components (growth monitoring, OAT, immunization, breastfeeding, and nutrition).

In 1985, World Vision received its first USAID funding for a child survival project in Zimbabwe. Since then, it has been implementing similar A.I.D.-funded projects have been implemented in Kenya, Mali, Nigeria, Mauritania, Uganda, Senegal, Haiti, and Bangladesh.

In Zimbabwe, in close partnership with the Ministry of Health's district hospital and a private hospital, it has actively mobilized people from 352 villages throughout the district of Murewa such that full immunization of children before their first birthday has been maintained at more than 75 and a similar figure for tetanus toxoid immunization of pregnant mothers during the last 3 years. Hospital admission records continue to show a remarkable decline in diarrheal cases in conjunction with an OAT usage rate of 90 percent at the home level throughout the district.

Project funds continue to be used in Senegal to develop weaning foods for infants utilizing locally grown produce by a local nutritionist staff. The FAO became so interested in this that they are considering funding the production of such a product on a larger scale. The integrated development project in Louga which includes child survival has been promoting the production and planting of "horseradish" tree, known locally as "sap-sap." Parts of the tree are used in traditional medicine, an ingredient in a local sauce for couscous, a rich source of vitamin A exceeding carrots and an extremely rich source of vitamin C.

An old man in another village hails the "return" of the "sap-sap" and says that once again he can treat a chronic eye ailment the way he did in the past. He presses the "sap-sap's" flowers and applies the extract to his eyes.

In Mauritania, social marketing efforts about child survival and vitamin A activities resulted in the production of audio and videotapes involving the Ministry of Education. These videotapes are now being shown nationwide and in other Arab countries. "Hot" season gardening and food preservation techniques are being taught in the Assaba region with a population of 169,278. Mothers within a month of delivery start to receive vitamin A from traditional birth attendants while schoolteachers are actively involved in vitamin A capsule distribution among schoolchildren. The Ministry of Health has adopted the World Vision's vitamin A receipt card for children 5 years and above.

The project in Koutiala district in collaborating with the MOH and a parastatal cotton company, Compagnie Malienne du Development des Textiles, is formulating an operational strategy for public awareness of cost-recovery options and guidelines for CS program management, including its financing.

No reported cases of measles have occurred in Massai land in Loitokitok, Kenya, a year after a child survival project has been implemented. The Massai community and the Kenya government have contributed over 37 percent of the project recurrent cost in the form of land, labor, and capital.

In Bangladesh, in a densely populated, low-income area of Dhaka City, Kamalapur Ward with 12,000 families, 98.9 percent of 11,419 children aged 6 to 71 months had received two doses of vitamin A after 1 year of implementation. Coverage continues to be at least 90 percent. Increasing numbers of families are growing vitamin A-rich vegetables and fruits for home consumption and are participating in community gardens. Trained community volunteers, actively supported by neighborhood health committees, constitute the project's backbone for health delivery.

Preventive health services have now reached 65 percent of the population in an isolated island of Haiti, the island of La Gonave with a total population of 72,000. Thirty percent of children born during the past year were protected against neonatal tetanus while coverage rates against five immunopreventable diseases have significantly increased by over 50 percent. This was made possible by a cadre of nurse auxiliaries deployed in the 11 sections of the island.

While conditions may have changed in Korea and Taiwan where World Vision's first sponsored children were from and in the child survival projects mentioned above were located, the overwhelming numbers of needy children in other countries continue to be a major preoccupation. In many parts of Africa, malnutrition is rampant in a recent survey in our child survival project in Mauritania, 40 percent of children under 5 were moderately and severely malnourished. In many parts of Mozambique, 57 percent of displaced children are malnourished.

War seems to be a constant companion to the disadvantaged child. Apart from death and destruction, war disrupts families and communities. Normal day-to-day activities are abandoned and the first victim of this disruption is the growing child and infant. Mozambique, Cambodia, Afghanistan, Ethiopia, and the West Bank are areas where war is causing a lot of damage to the growing child social environment.

AIDS is tearing apart the dislocation of families in Uganda, Tanzania, Kenya, Rwanda, and Zaire. World Vision recently documented the existence of more than 40,000 orphans in two districts of Uganda due to A.I.D.S. In another district, more than 10,000 have been orphaned due to war. As an emergency measure, World Vision is working with the World Bank and the Government of Uganda to provide assistance to these orphans and support their foster families.

In many parts of the world, illiteracy and ignorance are taking their toll. Where mothers are not given the opportunity to learn how to read or write, it has been observed that lack of information to the mother results in increased morbidity to the child and less utilization of health and social services available.

In recent years, the external debts of countries have caused governments to cut down on basic services like education, health, and social services. In countries like the Philippines, Senegal, Brazil, Costa Rica, and Mexico, scarce resources are used to pay huge debts and interest rates. Readjustments in fiscal policies have also caused poverty and a diminution of standards of living.

The combined effect of all these factors show us that while we have moved in many ways in advancing immunization coverage rates, use of oral rehydration therapy, and education of mothers and fathers in family planning the threat of sliding back on these gains is real.

We now need to pull our vision together so that we might combine global resources to prevent the sliding back on the gains achieved in advancing the welfare of the child.

We need to do the following:

1. Sustain raising immunization levels, decreasing dropout rates, and knowledge-practice gaps in ORT and appropriate weaning by carefully avoiding budget cuts on these services.
2. Allocate more measures to A.I.D.S prevention, training, health promotion, counseling, provision of equipment and supplies, care of A.I.D.S orphans and children with A.I.D.S are areas of attention. Other special health needs: parasitic infestation, malaria, helminthiasis.
3. More careful health and social policy analysis and management to maximize benefits from dwindling resources.
4. Emphasize cost-recovery by obtaining commitments of governments, communities, and local implementors to self-reliance.

5. Extend MCH/FP integrated services to more locations MCH/FP; district team problemsolving approach should be the vehicle used in arriving at solutions to problems.

6. Increase self-reliance in design and production of health learning materials for child survival activities; emphasize intercountry networking to pool resources.

7. Integrate water supply and sanitation with health and other activities that benefit the child.

Foreign Aid and American Purpose (Excerpt)

(By Nicholas Eberstadt)

CHAPTER 3.—"HUMAN CAPITAL" AND FOREIGN AID IN AFRICA

In the early days of postwar independence in sub-Saharan Africa, the principal economic rationale offered for the Western aid then being sent to the many new governments just coming to power was the need to "build infrastructure": ports, roads, dams, telecommunications, and the like. Such major, capital-consuming projects, it was then said, would require concessionary foreign sponsorship—for a variety of essentially technical reasons—but they could be expected to be highly productive. Today these former arguments for development aid to the sub-Sahara are less frequently heard. A quarter of a century's experience has attested to pervasive and serious mismanagement of "infrastructure" throughout sub-Saharan Africa; in some cases this infrastructure has been partially or wholly destroyed by the local governments for which it was built.

Advocates of development assistance for sub-Saharan Africa now have a new rationale for aid to the region: the need to build "human capital." By financing programs in health, nutrition, family planning, and education, they now argue, foreign aid can enhance human productivity and thereby promote economic development. In the abstract, this argument may seem unobjectionable. In its proper context—that is, in transferring Western resources to the present governments of sub-Saharan Africa—there is good reason to question whether a human-capital initiative can be generally effective.

Returns from human capital, like returns from physical capital, depend critically upon the environment in which these resources are being put to use. The policies and practices of the overwhelming majority of regimes in sub-Saharan Africa have the predictable effect of radically lowering any anticipated returns from an aid-driven human capital initiative—turning such funds into unproductive social welfare spending, or worse.

The peoples of sub-Saharan Africa live under governments that, with few exceptions, may fairly be described as lawless. The rights to private property, personal liberty, due process, and even to life itself are routinely ignored or violated by the overwhelming majority of sub-Saharan states. Westerners have long complained about the "business environment" in postcolonial Africa: the obligatory graft, the police and army harassment, the arbitrary restrictions, and the constant threat of summary expropriation. But how much easier is such rule for Westerners—privileged persons with foreign passports—than for ordinary Africans. In Malawi, a country sometimes cited for its comparatively enlightened policies, a device known as the Forfeiture Act permits the government to strip any person suspected of "economic crimes" of all assets and property—permanently—without judicial review or any avenues of appeal.[1] In Mauritania, Western agencies have guessed that as many as 100,000 people in a population of less than 2 million may currently be living in slavery [2] In several countries, government-instigated atrocities, often tribally motivated, have resulted in hundreds of thousands of civilian deaths. Whatever else may be said of such practices, they do not enhance the productivity of human capital.

If initiatives in health and nutrition were to be effective, a government would ordinarily want demographic and social data for the population in question. Even crude indicators, like mortality rates, can help in identifying the groups in greatest need and in evaluating the effectiveness of programs undertaken on their behalf. It is perhaps significant that the postcolonial states of sub-Saharan Africa have not developed statistical systems capable of providing even such comparatively rudimentary data. The United Nations Demographic Yearbook lists seven African states with essentially "complete" death registration systems.[3] Six of these are islands, "African" in the sense that they are nearer to Africa than to any other large land mass. None are in the sub-Sahara. Indeed, in the mid-1970's, a decade and more after independence, many sub-Saharan countries had yet to conduct their first national census. These governments found no compelling reason to count their citizens until the United Nations provided funds for this express purpose.

Western aid agencies—specially the World Bank and the U.S. Agency for International Development—are eager to provide family-planning funds to sub-Saharan Africa in the hope that this may help to lower fertility in the region. In most of these countries, however, local peoples tend to identify infertility as their principal population-related concern.[4] In much of Africa the fate of a barren woman is not an enviable one. Even among elites, the preference for large families remains strong.

Many poor Africans seem to fear that family-planning programs will be used to enforce involuntary sterility upon them. These fears are not assuaged by some of the extremist pronouncements on population from the World Bank and A.I.D., by the manifest contempt of local governments for popular concerns, and by the frequency with which the state has been used as a tool of war against tribes not in power.

In March 1986, the Washington Post recounted a story of a primary school in rural Kenya from which hundreds of children ran screaming, some scrambling through windows, with the approach of an unfamiliar car: it was thought to contain population workers who would inject them with nonreversible contraceptives.[5] The previous year starving Kenyans in drought-afflicted areas were reported to have refused relief shipments of U.S. corn on the rumor that the corn had been laced with sterilizants.[6] Kenya, of course, is a country in which civil liberties are relatively well secured, and government policies relatively enlightened. It is precisely for those reasons that such stories of deep-seated distrust and fear are noteworthy.

In and of itself, mass literacy is arguably a desirable objective. One should not, however, expect even rapid advances in literacy to bring economic transformation in sub-Saharan Africa under present circumstances. Even if skills and talents are augmented, they will not be put to use in the face of overbearing risks and penalties. (The plight of Tanzania attests to this: despite its mass literacy campaigns, the country remains mired in poverty, its agriculture shattered by forced collectivization, and its commerce deliberately crippled by a socialist police state.) Moreover, the correspondence between increased expenditures on education and increased literacy cannot be taken for granted.

Statistics from the World Bank's 1986 World Development Report illustrate the problem. The report gives breakdowns of central government expenditures for 16 sub-Saharan countries, excluding South Africa. (That the World Bank apparently can provide such estimates for less than one-half of the sub-Saharan states in its statistical appendix is revealing in itself.) In the Asian nation of Sri Lanka, where primary education is close to universal, the government spends about $9 per year per person on education. Mali in Africa also devotes about $9 per person per year to education, but its primary school enrollment ratio is said to be only 24 percent. In Senegal, where the figure is put at $18 per person per year, the enrollment ratio is put at 53 percent. Botswana spends nearly 10 times as much per person on education as Sri Lanka; yet its primary school enrollment ratio is lower.

This is more than a matter of cost management. Basic strategy is in large part responsible for these results. Throughout sub-Saharan Africa it is college, not grade school, that typically receives priority. Subsidies for the intelligentsia are large. In Sri Lanka, as in most of the West, a year of college costs about five times as much a year as primary school. In Zaire, by contrast, the government spends about 40 times as much for a year of college as a year of elementary school; in Nigeria the ratio is over 60-to-1; in Uganda it is over 100-to-1; in Malawi, it is over 200-to-1. In Guinea, where scarcely one-third of the country's children are thought to be in grade school, the government was recently spending 30 percent more on college than on primary education.[7] Under such circumstances, it would not seem that the primary constraint on literacy was a simple lack of resources.

There is talk today of "policy reform" in sub-Saharan Africa. According to spokesmen for Western aid agencies, the document produced on June 1, 1986, in the special United Nations General Assembly session on the economic crisis in Africa is testimony to a new attitude on the part of sub-Saharan governments. According to M. Peter McPherson, administrator of A.I.D., "The Africans now realize that fundamentally they have to do some things differently." [8] Yet the very day this U.N. document was presented to the world media, Kenyan President Daniel arap Moi, in a speech to the nation, "pledged," in the words of the New York Times, "to revive flagging attempts to increase Kenyan ownership of private businesses, which are mainly in the hands of Europeans and Asians." [9] These "Europeans" and "Asians" are, in fact, Kenyan citizens, albeit immigrants and ethnic minorities. Lest the racialist intentions of this expensive pledge go unappreciated, Kenya's Sunday Times outlined them explicitly: "Everyone appreciates and supports the government's [position] on the issue of Kenyanization, or better still Africanization, of business because it is * * * for the betterment of the economical future of this country." [10]

Time and again in postcolonial Africa, governments have displaced merchants and businessmen on the basis of their race, only to lower output, raise costs, and reduce returns for all forms of capital. It is precisely because Kenya is considered one of the more economically responsible states in sub-Saharan Africa that President Moi's announcement and its timing are so significant.

If sub-Saharan states wished to augment human capital, they might begin by attempting to promote civil order and the rule of law—including security of property and person. They might desist from those agricultural and social policies that quite predictably cause nutritional hardship or in extreme cases famine among rural populations. They might manage national finances so as to create stable currencies and reduce restrictions on foreign trade so that their common people might better participate in, and learn from, the greatest educational system of them all: the world economy. None of these suggestions would require external aid.

Western aid today may be compromising economic progress in Africa and retarding its development of human capital. Overseas development assistance (ODA), after all, provides a very substantial fraction of the operating budgets of virtually all governments of sub-Saharan Africa. In 1983, ODA accounted for two-fifths of Liberia's central government budget, for three-quarters of Ghana's, and four-fifths of Uganda's.[11] Western aid directly underwrites current policies and practices; indeed, it may actually make possible some of the more injurious policies, which would be impossible to finance without external help.

The public in the United States and other Western countries must face this awful reality honestly and squarely. The West is, at present, directly complicitous with Africa's rulers in the results they inflict upon their subjects. No change in rationales for aid, no new names for programs, no optimistic pronouncements about policy changes in the near future will alter this fact.

NOTES

1. U.S. Department of State, Country Reports on Human Rights Practices for 1986 (Washington, D.C.: 1987), p. 182.
2. John Mercer, Slavery for Mauritania Today (Edinburgh: Human Rights Group, 1982).
3. United Nations, Demographic Yearbook 1983 (New York: United Nations, 1985).
4. See, for example, Odile Frank, "Infertility in Sub-Saharan Africa," Center for Policy Studies Working Paper No. 97 (New York: Population Council, 1983).
5. Washington Post, March 8, 1986.
6. Ibid.
7. Figures derived from UNESCO, Statistical Yearbook (Paris: UNESCO), various issues.
8. New York Times, June 1, 1986.
9. Ibid.
10. Sunday Times (Nairobi), May 31, 1986.
11. Figures derived from the statistical appendix in World Bank, World Development Report 1986 (New York: Oxford University Press, 1986).

RESPONSES OF JAMES P. GRANT TO QUESTIONS ASKED BY SENATOR KERRY

Question. There are no doubt thousands of children in the streets, in refugee camps, and in ships and factories in many third world countries and who are working and earning as little as 27 cents a day. How can this country take the lead in changing this situation? What would it take in terms of resources to impact these nations? Could the United States expect help from other industrial nations like Japan?

Answer.

At least 300 million young boys and girls around the world are working, and the actual number is probably twice that figure. Many child workers toil long hours for a pittance, without basic benefits, insurance, or social security. Working children, as opposed to working adults, are more likely to suffer injury on the job because of unsafe working conditions, inexperience, and fatigue.

UNICEF is continuing to work closely with the International Labour Organization (ILO) on the question of child labor. Egypt, the Philippines, Thailand and several Latin American countries started programs to provide protection and services to working children in September 1989.

There are many things the United States can do to take the lead in changing this situation. First and foremost, ratify the Convention on the Rights of the Child. As you may be aware Senator, Article 32 of the Convention (attached) specifically addresses the State's obligation to protect children from engaging in work that constitutes a threat to their health, education, and development, to set minimum ages for employment, and to regulate conditions of employment.

United States' ratification of the Convention sends a clear signal to other nations that the United States, already a leader on the human rights front, continues to give the highest priority to the protection of children.

After ratification, I suggest that the U.S.: No. 1, Assist the other nations in undertaking situation analyses to determine the scope of the problem; No. 2, Assist other nations in expanding or adapting their education systems to better meet the needs of those children who must work to survive; and No. 3, Assist other nations in reviewing and reforming their legal system to provide the maximum protection of children recognized in the Convention.

RESPONSES OF JOHN R. BOLTON TO QUESTIONS ASKED BY SENATOR KERRY

Question. What is the position of this administration on Senate Resolution 231 introduced by Senator Bradley which urges the President to seek the consent of the Senate to ratification of the convention on the "right of the child" (sic) adopted by the U.N. on November 29 (sic), 1989?

Answer. The administration is aware of congressional interest in the convention, as evidenced by S. Res. 231. On November 20, 1989, the administration joined with the other 158 member states of the U.N. General Assembly in adopting the convention by consensus. For 10 years, we had participated actively in drafting the convention, and we fully support the general goals of the convention to protect and promote the human rights of children worldwide. At the same time, we recognize that the convention is far from a perfect document and that it will not solve all problems for all children upon its entry into force, even if fully implemented.

The convention is both lengthy and complex, and raises several difficult issues with respect to U.S. law and policy. For this reason, a number of executive branch agencies must complete an examination of its provisions, and determine what implementing legislation would be required, before we could determine to sign the convention and to seek Senate advice and consent to ratification. That review is underway.

Question. Today around the world tens of millions of children—from virtual toddlers to early teenagers—are active members of the labor force. And in far too many instances these children are forced to work under terms and conditions that are by any standard inhumane. The consequences of this form of exploitation of children are devastating both to the health and happiness of the individual children involved and to peace and progress throughout the world. International cooperation, U.N. resolutions, U.S. policy statements which work to counter exploitation of children are a useful and necessary element in eliminating such exploitation wherever it is found. However, I wonder if there is not more that can be done unilaterally or multilaterally to stop the continuing exploitation of child labor. Are there specific steps that Congress and the administration could consider that would help end these practices? More specifically, should all or some portion of U.S. aid be contingent upon progress to eliminate child labor exploitation? Should most-favored-nation treatment, or other trade advantages a country enjoys, depend or be conditioned in whole or in part on progress to eliminate child labor exploitation? Should foreign products made by companies or industries with serious child labor abuses be banned from importation into the United States?

The prohibition of child labor (in the form of rules on minimum age for workers), free association, collective bargaining, prohibition of forced labor, and work conditions (including hours and health and safety considerations) compose the five basic workers' rights:

Current U.S. law already includes various provisions for considering workers' rights issues. The Trade Policy Staff Committee's Subcommittee on the Generalized System of Preferences—composed of representatives of the Departments of Labor, Commerce, Agriculture, Treasury, State (Office of Economic and Business Affairs), and the USTR—examines petitions requesting trade restrictions because of alleged abuse of one or all of these categories of workers' rights, including the prohibition of child labor. The Trade Act of 1974, as amended, provides that the President may not designate a country a beneficiary of the Generalized System of Preferences if such country "has not taken or is not taking steps to afford internationally recognized workers' rights." Provision for such sanctions is already present as well in the Caribbean Basin Initiative and OPIC's loan guarantee program; the Omnibus Trade Act also provides for consideration of countries' workers' rights practices.

The Bureau of International Organization Affairs in the State Department cooperates with these agencies and provides advice on this issue, particularly when it involves activities of the International Labor Organization (ILO). The ILO has passed several conventions concerning child labor, dealing with such issues as the minimum age for workers, to which various nations have acceded.

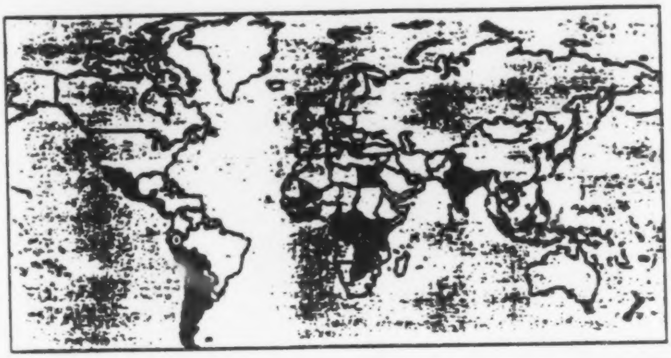
Question. Products imported into this country have a label indicating the country of origin. How do we monitor these products to verify the country of origin information? What resources do we use to enforce the labelling requirements? How do we follow up on cases of non- or misleading information? What products, if any, are exempted from the labelling requirements?

Answer. The U.S. Customs Service, which is part of the Department of the Treasury, has the lead responsibility for enforcing the country of origin labelling requirements. We defer to them on all technical matters.

The Department of State plays an active role in assisting Customs in enforcing U.S. law. Our overseas Embassies often answer questions and provide information on cases. We also travel with teams investigating cases of possible fraud. I would emphasize that we always stand ready to advise and assist Customs officers in the execution of their duties.

INVESTMENT WITHOUT GROWTH, INDUSTRIALIZATION WITHOUT PROSPERITY

(By Nick Eberstadt, Journal of Economic Growth, Summer 1989)



Four decades ago, President Truman first proposed "technical assistance" as a new form of foreign aid. Now commonly known as "overseas development assistance," or ODA, it has become a prominent and established feature of the international economic landscape. Virtually every Western nation today maintains its own ODA program and, with the exceptions of Japan and Taiwan, virtually every country in Asia, Africa, and Latin America is currently an ODA recipient. From President Truman's modest initial request to Congress in 1950 of $45 million, bilateral and multilateral ODA commitments have expanded enormously. During the 1980s, the pace of overall ODA to commitments has averaged about $40 billion a year. Thus, in the late 1980s, the value of annual ODA commitments actually exceeded the dollar volume of a number of important items in the world economy–total world trade in foodgrains being but one of them.[1]

Over the years, the official rationale for this international flow of concessionary resources has varied. Among donor and recipient governments alike, however, two arguments seem to have been particularly influential. During the 1950s and 1960s, proponents of ODA commonly argued that these transfers could promote economic growth by augmenting investment in physical capital and by helping to finance government industrialization programs in low-income countries. In the 1970s and 1980s, it was increasingly argued that ODA from the West should also be used to finance social welfare services. By helping to meet "basic human needs" through support of local programs for health care, education, housing, food, and the like, the argument ran, ODA would not only directly

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alleviate material poverty, but would enhance "human capital," and thus lay the foundation for future economic development.

True to the arguments and predictions of its proponents, the era of ODA has been a time of pervasive and dramatic material progress in low-income countries. The scope of these material changes is perhaps most vividly captured in the mortality rates and survival probabilities for these regions. As Table 1 indicates, health levels throughout the low-income realm have improved very substantially in recent decades; the United Nations now estimates that overall life expectancy at birth for less-developed regions rose by almost two-fifths between the early 1950s and the early 1980s, and that overall infant mortality rates fell by about half. These estimates suggest there has been a marked reduction in the gap of life expectancy between rich and poor countries–a reduction with obvious implications for the well-being of ordinary people in the countries concerned.

But these material changes, salutory as they are, do not in themselves prove, or even necessarily suggest, that a generation of ODA policy has successfully promoted its stated objectives. The actual impact of ODA flows on the structure, output,

TABLE 1

Changes in Estimated Infant Mortality Rates and Life Expectancy at Birth in Selected Regions of the World (1950-55 and 1980-85)

Area	Life Expectancy at Birth (years) 1950-55	1980-85	Change in Years
More-Developed Regions	66	73	7
Less-Developed Regions	41	57	16
Africa	38	49	11
Latin America	51	64	13
Asia	41	59	18

Area	Infant Mortality Rate (per thousand) 1950/55	1980/85	Percent Change
More Developed Regions	56	16	–71%
Less Developed Regions	180	88	–51
Africa	191	112	–41
Latin America	125	62	–50
Asia	181	83	–54

Source: United Nations, *World Demographic Estimates and Projections, 1950-2025* (New York: United Nations Department of International Economic and Social Affairs, 1988).

and productivity of recipient countries is the pertinent criterion for evaluating the contribution of ODA to economic progress.

It is a striking fact that neither donor nor recipient governments seem to have made a regular practice of assessing the impact of ODA flows on economic performance in low-income countries.[2] That neglect, and its implications for present policy, deserve to be examined elsewhere at length. This brief article does not presume to provide the comprehensive evaluation of ODA policy that is today so conspicuously absent from the literature of economic development. My purpose is rather to examine some data, often overlooked, that cast light upon the development process in low-income countries over the past generation.

It is hazardous to generalize about an amalgam of economies so evidently diverse as those of the contemporary Third World. Nevertheless, some puzzling and indeed troubling tendencies are apparent in even the most basic and summary statistics on the countries' national output. Simply put, the economies of the ODA-receiving countries, on the whole, appear to be characterized by pronounced and gross structural distortions.

To appreciate the magnitude of these distortions is to wonder how such pervasive and generally untoward transformations would possibly have been financed.

Industry, Investment and Personal Consumption

As anyone who has tried to work with them can attest, economic statistics on low-income countries should be used with caution. Very often their accuracy and reliability do not warrant exacting comparisons or sophisticated computational exercises. Their inherent limits of confidence, in fact, argue for simple comparisons.

One such simple but nonetheless instructive comparison may be seen in Table 2 (see page 17). The table shows recent World Bank estimates for the portion of national output associated with industry and absorbed by investment in various places throughout the world. Even such basic estimates as these must be handled with care. Nevertheless, the World Bank aggregates reveal a consistent and peculiar pattern. Among even the poorest low-income societies, the share of industry in overall output is barely lower than for the advanced industrial democracies of the West. For poorer countries as a whole, moreover, the investment ratio actually appears to be higher today than in rich countries.

As anyone who has tried to work with them can attest, economic statistics on low-income countries should be used with caution.

This anomalous situation is even more striking in the comparison of World Bank estimates for specific countries or places. As far as output structure is concerned, Sub-Saharan Africa currently looks more "industrialized" than Denmark. By the same measure, a number of developing countries would appear to be more "industrialized" than Japan, including Zimbabwe, Botswana, the People's Republic of the Congo, and Trinidad and Tobago. Zaire seems to be more

TABLE 2

World Bank Estimates of Industrial Production and Gross Domestic Investment as a Percentage of GDP (Selected Countries and Groups–1985)

Countries and Groups	Industrial Production	Gross Domestic Investment
Industrial Market Economies	34%	20%
Developing Economies	36	24
Low-Income Economies	33	27
Middle-Income Economies	37	23
Sub-Saharan Africa	26	13
India	27	25
Zimbabwe	45	23
South Africa	45	21
Mexico	35	21
Denmark	24	20

Source: For broad country groups, The World Bank, *World Development Report 1989* (New York: Oxford University Press, 1989), pp. 148-149; for individual countries, *World Development Report 1987* (New York: Oxford University Press, 1987), pp. 208-211.

"industrialized" than the United States, and there is not a single country in the European Community that seems to be as "industrialized" as Argentina.

As for the relative level of investment, World Bank estimates suggest this to be lower in West Germany than in such countries as Togo, Nepal, Egypt, and Costa Rica. Recent estimates put the investment ratio in Rwanda well above that in Belgium; Mali's appears to be higher than France's; and Sri Lanka's, higher than Britain's. The investment ratio appears to be higher today in the People's Democratic Republic of the Congo than in Japan, and no Western country is estimated to have an investment ratio as high as that of Lesotho.

Indeed, if one had access only to figures on the share of industry and investment in national output, one might reasonably conclude that Mexico was more developed than the United States, Peru more developed than Sweden, and India more developed than Denmark. It is only when names are applied to the countries in question that it becomes clear these patterns speak not to prosperity, but to something very different.

More than a century of research on household budgets and consumer spending patterns has documented the strong tendency for poorer households to allocate higher proportions of their overall expenditures to food. The same research has underscored the general tendency for poorer households to save and invest a smaller fraction of their overall income. These tendencies have been documented across cultures and across time. The findings are so consistent that they might almost be described as "rules" of social science. The two tendencies can be explained in very human terms. Poor people act to satisfy their need for food before attending to less urgent desires, and they place a high value on the current consumption upon which their lives may literally depend.

Human though they may be, these "rules" do not seem to apply to economic activity in much of the low-income world today. Neither overall consumption nor the food sector in many locales commands the share of national output that one might expect for low-income populations. Agricultural output, for example, accounts for an almost inexplicably low portion of the overall product of many less-developed countries. World Bank estimates on sectoral output may illustrate the case. According to these numbers, the share of agriculture in Zimbabwe's 1985 national output was lower than it had been in Finland in 1965. As of 1987, the fraction of GDP derived from agriculture in Mexico and Ireland were roughly the same. In 1986, by the World Bank's numbers, the share of agriculture in overall output was higher in Portugal than in Gabon; higher in Spain than in Botswana; higher in Greece than in Peru; higher in Denmark than in Trinidad and Tobago.[3]

As for private consumption, World Bank estimates suggest its share in overall output is nearly as low today for the developing countries, as a group, as for the advanced welfare states of the West. These same figures suggest that the ratio of private consumption to national output is lower today in Malaysia than in Sweden; lower in Cameroon than in Belgium; lower in Panama than in Japan; lower in Costa Rica than in the United States; lower in Kenya than in Switzerland; lower in Côte d'Ivoire than in Greece. By the World Bank's estimates, overall consumption as a fraction of gross national product is distinctly higher today in the "industrial market economies" of the West than for the "developing countries" as a group. International Monetary Fund (IMF) estimates reveal a similar pattern.[4] According to their numbers, which trace the trends back to 1950, the share of consumption in national output has been lower for the developing countries than for the industrial countries virtually every year since 1972.[5]

Broadly speaking, neither the current patterns of output in the less-developed countries, nor the incremental changes over the past generation that produced those patterns, reflect the preferences that might ordinarily be expected of low-income people. One would hardly expect poor populations of their own volition to devote so little of their purchasing power to food and agriculture, or so much to industrial produce—especially heavy, non-consumer goods. One would hardly anticipate that poor people, for whom the perils of privation are very real, would of their own accord opt to consume as low a fraction of their overall gross national product as the affluent West, or to forgo consumption (through the agency of gross investment) of an even greater portion of their national income than in the West.

These patterns, instead, would seem to suggest that a vast and involuntary transformation of economies has occurred in low-income countries around the world. To judge by their output, the economies of today's developing countries would seem strangely insensitive to the needs and desires of their populations.

Insofar as these peculiar patterns appear to be relatively recent, it is correspondingly apparent that the developing economies, on the whole, have become less oriented toward articulating popular demand and less effective in satisfying self-assessed human needs than in earlier decades. In that fundamental sense, the distortions impressed upon low-income economies over the past generation may fairly be described as inhuman.

Consider what these distortions portend for the well-being of local populations. Imagine an economy in which the level of consumption is artificially forced to an involuntarily low level. Imagine further that within the already deliberately restricted sphere of private consumption agricultural produce should then be diminished still further. The human consequences of such interventions should be self-evident. Other things being equal, the affected population can be expected to experience increased material privation. The incidence of material poverty, by almost any meaningful definition, would be expected to rise. And the repercussions of such interventions could be expected to be most severe precisely among the most vulnerable groups within the population. Of course, the lower the population's initial income level, the more stark would be the human consequences from such interventions.

For all the adverse human implications of artificially depressing consumption levels in low-income countries, and artificially augmenting industrial production, the prevalence of such distortions among developing countries may, in at least one sense, be described as a success. Reshaping national output to a more "modern" structure, after all, was an explicit objective of almost all of the many industrialization plans embraced by governments in low-income countries in the 1950s and 1960s. To the extent that these distortions are a result of industrialization policy, they may be seen as the accomplishment of deliberate government action.

In the late 1960s and early 1970s, various development specialists noted that the incidence of poverty in a number of low-income countries had remained surprisingly high, despite rapid rates of industrial growth. It was at this point that the policy of "basic human needs" was proposed, and gradually adopted by low-income governments.

Reshaping national output to a more "modern" structure, after all, was an explicit objective of almost all of the many industrialization plans embraced by governments in low-income countries in the 1950s and 1960s.

Coming as it did immediately after the vogue of forced-pace industrialization, the advent of "basic human needs" policy has been quite fascinating. Ordinarily, the simplest method of attending to the adverse consequences of an induced distortion is to cease exerting the distorting influence. Rather than relieve the distortions induced by industrialization policy, however, "basic human needs" policies compounded them still further. "Basic human needs" policies, after all, required expansion of the government consumption sector. In so doing, these policies reduced the share of private consumption in local economies below already involuntarily low levels; investment levels typically remained inviolate. Thus, "basic human needs" programs have addressed the problem of local deprivation by the further separation of the individual in low-income society from his ability to identify and satisfy his own needs directly.

The ostensible rationale for suppressing private consumption and augmenting gross domestic investment through development policy in low-income countries derives from its presumed prospects for accelerating economic growth. One may wonder, of course, why compulsory measures should be needed to bring about such a shift of resources; even low-income populations, after all, will voluntarily forgo consumption and increase their pool of investable savings if they judge the prospective rewards for such action to be appropriate. Be that as it may, a forced increase in investment levels does theoretically open the possibility for quickening the pace of material progress. The record of the past generation, however, raises serious questions about the efficacy of this strategy in actual practice.

In some developing countries–Singapore, Korea, and Indonesia, among others–high rates of investment have indeed coincided with and been followed by rapid rates of measured increase in national output. But in quite a few other countries, high rates of investment did not evince comparable results. In a number of countries, in fact, relatively high levels of investment have proven to be consistent with long-term economic stagnation–or worse.

A few examples may suffice. In the mid-1960s, according to the estimates of the World Bank,[6] the ratio of gross domestic investment in such countries as Nicaragua, Bolivia, and the Central African Republic was higher than in the United States. During the following two decades, however, per capita output in these countries, by World Bank estimates, registered a decline. The per capita growth rate, in other words, was negative. Zambia and Jamaica, according to World Bank estimates, also enjoyed substantially higher ratios of gross domestic investment to national output than the United States in the mid-1960s; they, too, registered negative per capita growth over the subsequent two decades. Rapid rates of population growth do not entirely explain these results, as the World Bank's estimates for aggregate growth of national output (GDP) for these countries demonstrate. As is well known, the American economy was characterized by comparatively slow growth between the mid-1960s and the mid-1980s. By the World Bank's estimates, aggregate growth in the countries mentioned above was markedly slower than in the United States. By their numbers, in fact, Zambia's rate of growth in total output was less than half that of the United States; Jamaica's was scarcely a third of the U.S. rate.

Specific International Monetary Fund estimates differ from those of the World Bank; the picture they paint, nevertheless, is strikingly similar. According to IMF numbers, for example, the gross domestic investment ratio for Africa as a whole has matched or exceeded that of the United States virtually every year since 1965. In view of the continent's by now familiar record of performance over the past decades, the comparison would seem to indicate strikingly low rates of return for a region wherein capital is typically thought to be scarce.

Of course, as we have noted, there are reasons to be careful in the use of such international economic statistics. These World Bank and IMF numbers, however, tell a story that would not be altered even by major statistical revisions or adjustments. The fact is that the investment sector in many low-income countries has generated shockingly low rates of return for many years. In such countries, the funds that are labeled "productive capital" have evidently been used in very unproductive ways.

In its basic outline, the pattern of development manifest in many low-income countries over the past generation would seem to present the student of economics with a riddle. In many of these countries, rates of return on capital have evidently been very low (in some cases, possibly negative!) over a period of many years, even decades. In the face of competitive economic forces, one would have anticipated a decline in the investment ratio, or an increase in rates of economic return–or both. How, then, are we to explain the instances–and they are numerous–where investment ratios appear not only to have maintained themselves, but even to have increased, in the face of persistently low rates of return?

In its basic outline, the pattern of development manifest in many low-income countries over the past generation would seem to present the student of economics with a riddle.

International Capital Flows

One possible solution to this riddle would involve infusions of external capital. Under certain circumstances, international capital transfers could help sustain the unstable equilibrium that seems to have characterized the patterns of production in many low-income countries over the past generation. Admittedly, the conditions required for solving this riddle through international capital flows would not only be highly restrictive, but might also seem rather implausible. For they would necessitate not only steady and substantial inflows of capital to the countries in question, but also a formidable inattention, over a course of years or even decades, to the uses to which international capital was being applied.

Over the decades since President Truman announced America's "Point Four" program for economic aid to underdeveloped areas, Western countries and the international institutions they finance have indeed effected a steady transfer of resources to the developing world. The magnitude of this transfer is not commonly appreciated–even by students of economic development.

The Organization for Economic Cooperation and Development (OECD) produces annual estimates of the net disbursement of financial resources to the low-income countries. These figures provide a basis for a rough estimate of the postwar transfer of capital from the West to the Third World. Adjusting the OECD series for inflation, the net flow over the years 1956 to 1986 would amount to about

$1.8 *trillion* in 1989 U.S. dollars. Note that these OECD estimates measure *net* disbursements–the residual after financial withdrawals, profit repatriation and loan repayments have been taken into account (see Table 3).

How much is $1.8 trillion? A few comparisons may help to put the figure in perspective. It would be almost three times the entire net worth of the American farm system in 1987, according to the most recent estimates of the U.S. Department of Agriculture.[7] It would be almost twice the value of all American assets overseas in 1987, by the most recent estimates of the U.S. Department of Commerce.[8] By the estimate of the U.S.

TABLE 3

Net Western Financial Flows to Developing Countries
1956-1986
(In Constant U.S. Dollars–May 1989)

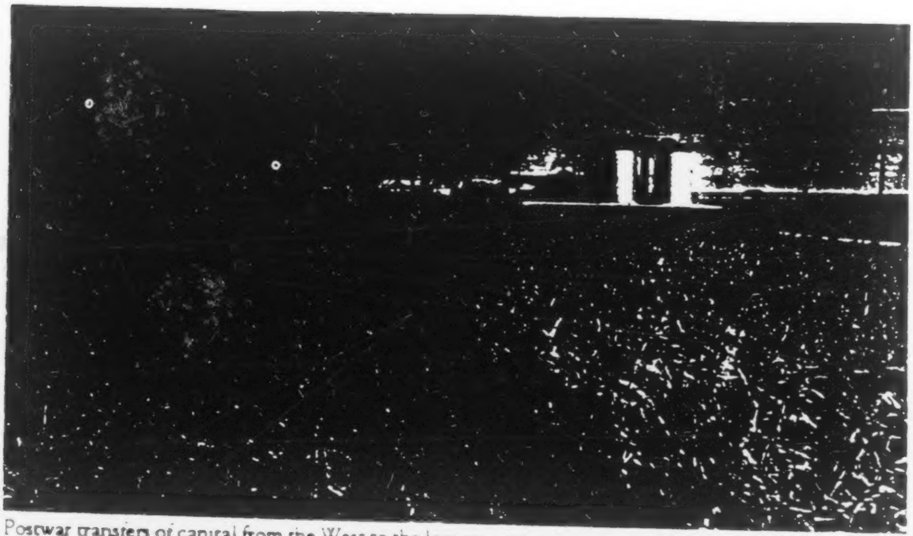
	1956-60	1961-65	1966-70	1971-75
Total Net Disbursement ($US billions)	$126.5	$143.9	$195.8	$298.3
Direct Private Investment ($US billions)	34.6	31.4	42.5	NA
Direct Private Investment as a percent of Total Net Disbursement	27.4	21.8	21.7	NA

	1976-80	1981-85	1986	Total
Total Net Disbursement ($US billions)	$511.1	$442.4	$73.8	$1790.8
Direct Private Investment ($US billions)	49.6*	49.3	13.2	NA
Direct Private Investment as a percent of Total Net Disbursement	11.9*	11.1	17.8	—

Notes: NA=Not available
— = Not applicable

* = 1977-80. Series adjusted by the U.S. producer price deflator.

Sources: Organization for Economic Cooperation and Development, *Geographical Distribution of Financial Flows to Developing Countries* (Paris: OECD), various issues; *The Flow of Financial Resources to Less Developed Countries* (Paris: OECD), various issues; U.S. Bureau of the Census, *Statistical Abstract of the United States* 1988 (Washington, DC: U.S. Department of Commerce, Bureau of Labor Statistics, 1981), p. 444.



U.S. Department of Agriculture

Postwar transfers of capital from the West to the low-income countries would amount to $1.8 trillion in 1989 U.S. dollars, according to OECD data. This amount would be equal to almost three times the entire net worth of the U.S. farm system in 1987, according to the United States Department of Agriculture. (Photo taken near Imperial, Nebraska.)

Internal Revenue Service, it would be over twice the net worth of all American millionaires in 1982–the most recent year for which such estimates have been prepared.[9] And as of the end of 1988, $1.8 trillion would have amounted to nearly three quarters of the total market value of all the companies traded on the New York Stock Exchange.[10]

Of course, this is far from a precise estimate of the net transfer of wealth from the West to the developing countries. There are obvious technical problems in attempting to compute this flow of resources and theoretical ones as well. For example, it is difficult to select an appropriate price deflator, and to adjust for fluctuations in the strength of the dollar. However, there is good reason to suspect that the rough figure of $1.8 trillion may actually understate the net transfer of capital to the low-income countries during the postwar period. For one thing, the OECD series does not attempt to include such items as private charitable transfers or military aid. And the figures in Table 3 obviously do not include transfers in the early 1950s, or in the years since 1986. If anything, the net transfer from the West to the developing world over the postwar period is likely to be even greater than the $1.8 trillion figure would suggest.

The composition of the capital transfer from the West to the developing world over the past generation is quite interesting. The fraction of the flow deriving from direct private investment was never predominant, and over the course of the 1960s, 1970s, and 1980s, that fraction declined appreciably. It is worth noting that the absolute volume of net direct private investment from abroad, after adjusting for inflation, was actually lower in 1985 than it had been in 1956.

In recent years, the OECD has provided

some estimates of the composition of net financial flows not only for developing countries as a whole, but for categories of countries within the group. Some of these figures are presented in Table 4. The breakdowns are intriguing. For the group classified as least-developed countries—a category with a population of approximately one billion persons–scarcely 5 percent of the total net flow of resources from the West was private in nature between 1977 and 1986. Even that figure, however, exaggerates the private share, insofar as it includes government-guaranteed export credits. Less than one percent of the total flow of Western funds to these countries over that same decade is estimated to have

TABLE 4

Structure of Net Western Financial Flows to Selected Classifications of Countries: 1977-1986 (Current U.S. Dollars and Exchange Rates)

	Least-Developed Countries		Middle-Income Countries	
	Percentage Direct Investment	Percentage Private Sector	Percentage Direct Investment	Percentage Private Sector
1977	2.7%	10.0%	16.2%	58.3%
1978	1.0	4.0	16.8	65.9
1979	0.5	8.9	18.0	62.1
1980	0.2	11.2	20.0	58.5
1981	1.5	5.1	19.1	60.7
1982	1.9	7.8	14.0	60.1
1983	0.5	1.9	11.3	51.5
1984	0.4	1.7	14.6	60.9
1985	0.4	1.4	20.2	0.1
1986	–0.3	–0.9	27.7	28.5
Unweighted Averages:				
1977-81	1.2	7.8	18.0	61.1
1982-86	0.6	2.4	17.6	40.2

Notes: "Least-Developed Countries" are listed according to U.N. classification system; country membership may change from year to year.

"Middle-Income Countries" are classified by World Bank criteria; group includes "Lower-Middle-Income" and "Upper-Middle-Income" countries for years 1979-86, and "Middle-Income," "NICs," and "OPEC II" groups for 1977-78 in OECD Typology; membership may change from year to year.

Source: Organization for Economic Cooperation and Development, *Geographical Distribution of Financial Flows to Developing Countries* (Paris: OECD), various issues.

come from direct private investment. In 1986, private flows of capital to the countries in this group were recorded as negative. Concessionary public transfers accounted for over 100 percent of the measured net resource transfer from abroad during that year.

The composition of resource flows to the group classified as middle-income countries—a category defined to include most OPEC states, as well as the so-called newly industrializing countries (NICs)—is substantially different. Even so, this composition may be somewhat surprising. Over the decade for which such data exist, concessionary public transfers accounted for almost half the measured inflow of capital from the West. Direct private investment accounted for less than a fifth of the net disbursement to this group over that decade. Direct private investment, in fact, accounted for a smaller fraction of the net capital flow to middle-income countries in the early 1980s than it did to low-income countries overall in the late 1950s.

The relative eclipse of direct private investment as an instrument of capital transfer to developing countries is significant. Direct private investment, after all, is voluntary and sensitive to prospects of economic opportunity. Over the past generation, low-income countries as a group have experienced considerable economic growth. It is anomalous that the relative (and by certain comparisons, even the absolute) level of direct private investment should diminish within the flow of resources to the developing world over these same decades. Despite economic advance, the developing world, as a whole, appears to be less capable of attracting direct private investment than in the past, or more hostile toward it, or both. This does not augur well for rates of economic return on the capital flowing into developing areas.

It is important to remember that comparatively little of the capital transferred to developing countries over the past generation has gone directly to private concerns or to individuals. Overwhelmingly, Western transfers flowed to the governments of low-income countries. By and large, the vehicles for these transfers have been outright grants, "soft" or subsidized loans, and commercial lending.

These vehicles of capital transfer have implications for economic performance. By definition, a soft loan carries an interest rate below the competitively prevailing rate of interest. A recipient can repay a soft loan even while achieving comparatively low rates of return. Often soft loans carry negative real rates of interest; in such circumstances a borrower can use funds in ways that actually diminish the capital, and still be able to redeem his contractual obligations. Of course, in the case of an outright grant, it is possible to deplete the gift completely without reducing the recipient's pre-existing stock of capital.

Terms of public borrowing for low-income countries can help describe the economic environment in which local governments operate. In 1987, (the most recent year for which the World Bank's *World Development Report* provides figures)[11] the average interest rate for loans contracted to the government of Ghana was 1.9 percent; for the Central African Republic, the rate was 1.2 percent; and for the government of Tanzania, the rate was 1.2 percent. For Sierra Leone, the interest rate for public loans contracted in 1987, on average, was zero. Note that these are nominal rates. After adjusting for inflation, real rates of interest on such loans were actually negative.

In effect, through such highly concessional transfers of capital, governments in low-income regions are being held to a lower standard of economic performance than those facing their own citizens, international businesses, or the governments of Western countries. Not all governments in developing regions, of course, have taken advantage of such relaxed standards of performance. On the other hand, however, it is evident that many have. If additional testimony to this were needed, the so-called "Third World Debt Crisis" of the 1980s eloquently supplies it. To the extent that it may accurately be described as a crisis, it is a crisis of productivity. Governments tend to find debts more difficult to repay when the borrowed funds are generating extremely low rates of return. It is noteworthy that the governments of so many developing countries are currently experiencing difficulties with their external debt. It is all the more noteworthy that external government debt in a number of these countries consists principally of public rather than commercial loans. Public loans are typically concessional and often they are highly so. To have difficulty meeting such terms reveals much, albeit inadvertently, about the policies and practices of the recipient government.

Concluding Remarks

The preceding pages have not provided anything like a systematic analysis of the impact of ODA on recipient economies in low-income regions. Nor were they intended to do so. Instead, they provide a brief review of what one might call the forensics of overseas development assistance.

Peculiar and pronounced distortions which are referred to elsewhere as "industrialization without prosperity" and "investment without growth,"[12] now characterize the economies of many low-income countries. Prejudicial to the immediate well-being of local populations, these distortions also look to be financially costly in many instances. Because of the evidently low rates of return typically associated with them, the policies which created these distortions would appear to be inherently unsustainable in an open and competitive economic environment. Yet for decades they have been sustained. Massive transfers of capital from abroad, typically applied in ways that generated uncompetitive rates of return, could explain this continuing pattern of development. As we have seen, the transfer of resources from Western sources to low-income countries has been enormous over the past generation, and there is evidence that a significant portion of this transfer was used in decidedly unproductive ways.

The concessional public transfer of capital raises the possibility that recipient governments may adhere to separate, and lower, standards of performance than other economic actors. Obviously, a government's performance and conduct need not be degraded by such bequests. But it can be. A government's behavior is most likely to be adversely affected by such bequests if that government *wishes* to be held to a less exacting standard. After all, concessional transfers increase a government's freedom to maneuver–and thus to pursue its intentions. A government's intentions are thus central to the likely economic impact of overseas development assistance. If a government's intentions are economically untoward, overseas development assistance may actually finance programs so economically reckless, destructive or injurious that they could not otherwise proceed. Unfortunately, the record of the past generation suggests this to be more than a purely hypothetical possibility.

Development economics has devoted enormous attention to the theoretical possibilities of accelerating economic growth or reducing the incidence of local poverty through continuing bequests of ODA. It has devoted much less consideration to the actual record of use to which existing governments in low-income countries have directed such funds. Redressing this imbalance would not only seem to be in order, but very much in the interest of the presumed beneficiaries of such study–the populations of the low-income countries themselves.

Notes and References

[1] Figures derived from Organization for Economic Cooperation and Development (OECD), *Geographical Distribution of Financial Flows to Developing Countries* (Paris: OECD, various years); International Monetary Fund (IMF), *Primary Commodities: Market Developments and Outlook* (Washington, DC: IMF, 1988); and U.S. Department of Agriculture, *World Agricultural Supply and Demand Estimates*—WASDE/228—, March 9, 1989.

[2] Several assessments of this general nature, of course, have been published in recent years. They include Robert Cassen and Associates, *Does Aid Work?* (Oxford: Clarendon Press, 1986)—sponsored by the World Bank and the International Monetary Fund; Anne O. Krueger and Vernon W. Ruttan, *The Development Impact of Economic Assistance to LDCs* [unpublished volume comissioned by the U.S. Agency for International Development—University of Minnesota, 1983]sponsored by the U.S. Agency for International Development and Organization for Economic Cooperation and Development; *Twenty Five Years of Development Cooperation: A Review* (Paris: OECD, 1985). It is the singularity of these efforts, however, that is perhaps most noteworthy. OECD does produce an annual report on ODA, *Development Cooperation*, but this is concerned principally with the *volume* of resources transferred to low-income countries.

[3] World Bank, *World Development Report* (New York: Oxford University Press), 1987 and 1988 editions, Statistical appendix, Table 5.

[4] International Monetary Fund, *International Financial Statistics Yearbook 1988* (Washington, DC: IMF, 1988), pp. 172-179.

[5] The date is significant. Distortions apparent in 1972 cannot be ascribed to subsequent events–such as the "oil shocks" or the "Third World Debt Crisis."

[6] *World Development Report 1988*, loc. cit., Statistical appendix, Tables 1, 2 and 5.

[7] U.S. Bureau of the Census, *Statistical Abstract of the United States 1989* (Washington, DC: Government Printing Office, 1989), Table 1089.

[8] Ibid., Table 1357.

[9] Marvin Schwartz, "Estimates of Personal Wealth, 1982: A Second Look," *Statistics of Income Bulletin*, Spring 1988, Table 1B.

[10] New York Stock Exchange, *Stocks and Warrants Available for Trading* (New York: NYSE Market and Research, December 1988).

[11] *World Development Report 1989*, loc. cit., Statistical appendix, Table 25, p. 212.

[12] Nicholas Eberstadt, *Foreign Aid and American Purpose* (Washington, DC: American Enterprise Institute, 1989), p. 84.

STRUCTURAL DISTORTION AND DEVELOPMENT ASSISTANCE IN SUB-SAHARAN AFRICA

(By Nick Eberstadt, Southern African Freedom Review, December 1989)

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In recent years the economies of sub-Saharan Africa have been a focus of increasing international concern. Although the region has a poorly developed statistical base, what evidence there is suggests that its overall rate of economic growth has been at best marginal during the 1980s. In a number of countries, aggregate output is thought too have fallen over the past decade — implying steep drops in levels of per capita production for areas where living standards were low to begin with.

The international community's responses to the evidence of economic problems in the sub-Sahara have been wide-reaching and diverse. And within the realm of "development policy", two trends have been broadly evident. The first has been the call, sounded in many quarters, for increasing the volume of resources transferred to the region through concessional flows of public aid. The second has been the recommendation, already embraced officially by a number of Western governments, that the continent's foreign debts be substantially written down, or forgiven so that these economies, relieved of such external burdens, can resume economic growth.

In the West, proposals for increased public aid and debt relief for the sub-Sahara are typically informed by altruistic and humanitarian sentiments. There is an enormous difference, however, between a sentiment and a policy. In present circumstances, there is little reason to be confident that either increased flows of public aid or debt forgiveness would result in a resumption of self-sustained economic growth for the region.

For all the talk and writing about "development" and the "development process" in low income countries, a number of basic, but important, facts and statistics about economic development in recent decades seem to have been neglected. They are pertinent to the prospects not only for the sub-Sahara, but for the Third World as a whole. They are presented in Tables 1 to 4.

TABLE 1

Net Western financial flows to developing countries, 1956 – 1986 (Constant 1989 $US)

	1956-60	1961-65	1966-70	1971-75	1976-80	1981-85	1986	Total
1. Total net disbursement ($US billions)	127,3	144,7	196,9	300,0	514,0	444,9	74,2	1 801,1
2. Direct private investment ($US billions)	34,8	31,6	42,8	NA	49,9*	49,5	13,3	NA
3. Direct private investment as percentage of total net disbursement	27,4	21,8	21,7	NA	11,9*	11,1	17,8	na

Notes: NA = Not Available; na = not applicable; * = 1977-1980.
Series adjusted bv US producer price deflator.

Sources: Organisation For Cooperation and Development, **Geographical Distribution of Financial Flows to Developing Countries** (Paris, OECD), various issues; **Idem, The flow of financial resources to less developed countries** (Paris, OECD), various issues; US Bureau of Census, **Statistical Abstract of the United States 1988** (Washington: Department of Commerce, 1988), p 444.

NEGLIGIBLE TRANSFERS?

It is often argued, even by persons professing expertise on economic development, that the transfer of resources from industrialised or Western nations to low-income or Third World countries has been negligible — or even negative. Though widely held, the opinion is based on misinformation. The Organisation for Economic Cooperation and Development (OECD) in Paris has for decades produced annual estimates of the net disbursement of resources by Western nations and the multilateral agencies they finance to the countries of the developing world. Note that these estimates are for *net disbursement* — the residual after financial withdrawals, profit repatriation, and loan repayments have been taken into account. These estimates indicate that there has been a net transfer from the West to the Third World of about $1,8 trillion, valued in today's US dollars, during the years 1956-1986.

A few comparisons may put this figure in perspective. $1,8 trillion would be nearly three times the estimated net worth of the entire US farm system.[21] That sum would also be over twice the estimated net worth of all American millionaires in 1982 — the most recent year for which US tax authorities have prepared such computations.[22]

Sub-Saharan Africa has also experienced a net transfer of resources from the West over the past generation. Its magnitude has been far from negligible. Between 1977 and 1986, for example, net disbursements to the sub-Sahara, valued at today's prices, would exceed US $130 billion. Priced equivalently, this would amount to over

TABLE 2

Total net Western financial flows to sub-Saharan Africa, by category: 1971 – 1986
(Constant 1989 $US billions)

Year	Total net disbursement	Total net ODA	ODA as percent Total disbursement
1986	15,15	12,80	84,5%
1985	12,11	10,38	85,3%
1984	11,80	9,03	76,5%
1983	13,53	8,21	60,7%
1982	17,65	9,32	52,8%
1981	16,14	9,61	59,5%
1980	13,59	8,94	65,7%
1979	13,67	9,86	72,1%
1978	14,63	8,86	60,6%
1977	13,32	7,26	54,4%
1976	11,18	6,91	61,8%
1975	13,00	7,25	55,8%
1974	9,25	5,95	64,3%
1973	8,23	4,90	59,5%
1972	6,72	4,22	62,7%
1971	5,99	3,95	65,9%
1971-75	43,2	26,31	60,9%
1976-80	66,3	41,79	63,0%
1981-85	71,2	46,56	65,3%

Notes: Net disbursements and Net Overseas Development Assistance (ODA) at current foreign exchange rates; series adjusted by US producer price deflator.

Sources: Organisation For Cooperation and Development, **Geographical Distribution of Financial Flows to Less Developed Countries** (Paris, OECD), various issues; US Bureau of the Census, **Statistics, Abstract of the United States 1988** (Washington DC: Department of Commerce, 1988).

twice the volume of resources that the United States donated to Europe during the Marshall Plan.

As the figures in Tables 1 and 2 may underscore, a considerable quantity of potentially productive Western capital has been transferred to low income regions, including the sub-Sahara, over the postwar period. Many Third World countries, and indeed most of sub-Saharan Africa, today appear to be experiencing serious economic difficulties. It is well to inquire about the sources of these economic difficulties. In the scheme of things, inadequate transfers of capital from the West would hardly seem to be the most obvious explanation for current problems of performance.

It is often argued that the transfer of resources to low-income or Third World countries has been negligible — or even negative.

Part of the region's troubles, however, are reflected in the changing structure of funds that make up the net transfer from the West to the sub-Sahara. In the "least developed countries" — a category consisting principally of sub-Saharan states — a small and diminishing share of net resource transfers has accrued from the private sector. For the decade 1977-1986, private sector funds accounted for only about five percent of the net capital inflow for these countries. Even that figure, however, exaggerates that private sector's share, in so far as it includes government guaranteed export credits for private firms. Between 1977 and 1986, by the OECD's estimate, less than one percent of the net flow of Western funds to the least developed countries derived from direct private investment. In 1986, private flows of capital to countries in this group were recorded as negative. For the first time since the OECD began producing such figures, concessionary public transfers accounted for over 100 percent of the measured net resource transfer from abroad for the least developed countries. (See Table 3.)

WHY DOES THE SUB-SAHARA FARE SO POORLY?

It is pertinent to inquire why the sub-Saharan region as a whole, and the least developed countries within the region in particular, should fare so poorly in attracting voluntary private investment, and should appear to be progressively less capable of doing so.

Part of the answer may be the structure of production in the sub-Saharan economies today. The World Bank provides estimates of the economic output of the different sectors (agriculture, industry, services) for its member countries. Given the lack of reliability of economic data for many member countries, such estimates should be used with care. Even so, such comparisons can be instructive, as may be seen in Table 4.

If the World Bank's estimates in Table 4 are correct, industry accounts for a greater share of output in sub-Saharan Africa than in Denmark. Indeed; if one had only the two figures to go by, one might well conclude that sub-Saharan Africa was more "industrialised" than Denmark! By the same token, such measures as the share of industry and gross domestic investment in total output might seem to suggest that Zimbabwe was more developed than Denmark, insofar as it registers a higher investment ratio in proportion to industry in GDP. It is only when we know the specifics of the two situations that we can recognise that these African patterns do not indicate local prosperity, but instead point to the severe and systematic distortion of production patterns in the region.

While the comparison between Zimbabwe and Denmark may be particularly striking, it is by no means exceptional. On the contrary: by the structure of their economies, many sub-Saharan countries would be presumed to enjoy an affluence they manifestly lack. According to the latest World Bank estimates, for example, industry accounts for a greater share of national output in Zaire than in the United States, in Zambia than in Sweden, in Botswana than in Japan.[3] And, the gross investment ratio is measured to be higher in the People's Republic of the Congo than in West Germany: higher in Mozambique than in Italy; higher in Tanzania than in Belgium; higher in Somalia than in Japan.[4]

These anomalous patterns are reflections

TABLE 3

Structure of net Western financial flows to selected classification of countries: 1977 1986 (current $US and exchange rates)

	Least Developed Countries		Middle Income Countries	
	Percentage Direct Investment	Percentage Private Sector	Percentage Direct Investment	Percentage Private Sector
1986	−0,3	−0,9	27,7	28,5
1985	0,4	1,4	20,2	0.1
1984	0,4	1,7	14,6	60,9
1983	0,5	1,9	11,3	51,5
1982	1,9	7,8	14.0	60,1
1981	1,5	5,1	19,1	60,7
1980	0,2	11,2	20,0	58,5
1979	0,5	8,9	18,0	62,1
1978	1,0	4,0	16,8	65,9
1977	2,7	10,0	16,2	58,3
Unweighted averages				
1977-81	1,2	7,8	18,0	61,1
1982-86	0,6	2,4	17,6	40,2

Notes: "Least Developed Countries" are listed according to UN classification system; country membership may change from year to year.

"Middle income countries" are classified by World Bank criteria; group includes "Lower-middle income" and "Upper-middle income" countries for years 1979-1986, and "Middle income", "NICs," and "OPEC II" groups for 1977-78 in OECD typology; membership may change from year to year.

Source: Organisation for Economic Cooperation and Development; **Geographical distribution of financial flows to developing countries** (Paris: OECD), various issues.

TABLE 4

World Bank estimates of industrial production and gross domestic investment as percentage of GDP, Selected countries and groups, 1985

	Industry	Gross Domestic Investment
Industrial market economies	36	21
Developing economies	34	23
— Low income economies	33	29
— Lower-middle income economies	34	21
— Upper-middle income economies	35	22
— Sub-Saharan Africa	27	13
India	27	25
Zimbabwe	45	23
South Africa	45	21
Mexico	35	21
Denmark	24	20

Source: World Bank, **World Development Report, 1987** (New York: Oxford University Press, 1987, pp 208-211.

of the pervasive impact of what is called "development planning" in sub-Saharan Africa. In the name of hastening material advance, governments in the sub-Sahara, and indeed throughout the Third World, have granted themselves far-reaching authority to direct and control the economies under their sway. For more than a generation, governments in low income countries have understood "development planning" to entail forced-pace efforts to augment what is labelled "investment", and to build up "industry" at an artificially accelerated tempo.

Such exertions, unfortunately, cannot be expected to bring any immediate improvement to living standards in the societies affected. Far from it: when the share of "investment" in national output, is deliberately enlarged development planning must correspondingly reduce the portion of national resources remaining for consumption by the local populations. Moreover, by skewing resources toward "industry", the food and agriculture sector is inevitably depleted and depressed. Ordinarily, poor people allocate a higher share of their spending to food than richer people, and a lower fraction to savings — an entirely understandable tendency, in view of their immediate needs. If sub-Saharan governments have succeeded in impressing Western-style patterns of output on their local economies, their "success" has brought about a vast, involuntary, and unnatural transformation of regional production — a transformation which has increased deprivation and reduced living standards among populations already all too familiar with acute need.

DEVELOPMENT VS ECONOMIC GROWTH

It is sometimes argued that comprehensive development programmes, while requiring sacrifice, also reward by raising the speed of economic growth. Such protagonists are ignorant of the record of post-colonial Africa. The sub-Sahara has recently experienced what might be called "industrialisation without prosperity", and it has also witnessed a parallel phenomenon: "investment without growth". Recent World Bank estimates are instructive. In Mauritania, according to these figures, the investment ratio is higher than in Britain — yet aggregate growth in the 1980s has been scarcely half as fast. Togo's measured investment ratio is given as exceeding that of the United States, yet its level of output apparently dropped during the 1980s. Mozambique's investment ratio is put equal to that of Finland, but where Finland's output is recorded as increasing by over a fifth between 1980 and 1987, Mozambique's is said to have declined by a seventh.[5] Note that these are figures for aggregate output; differential rates of population growth do not account for these disparate results.

Governments in the sub-Sahara have granted themselves far-reaching authority to direct and control the economies under their sway.

Such performances, instead, testify to rates of return on "investment" that have been remarkably and persistently low. It appears, in fact, that rates of return on capital in a number of sub-Saharan countries may have been *negative* for years, even decades! With few exceptions, government policies and practices in the sub-Sahara seem to have shaped an economic environment in which capital is not easily — or typically — put to productive purpose.

It is significant, and intriguing, that many sub-Saharan countries have been able to maintain high investment ratios in the face of manifestly low rates of return upon investment. Ordinarily, such circumstances would prompt an adjustment toward equilibrium — a drop in the investment ratio, or a distinct improvement in the return on investment, or both. In many sub-Saharan countries, however, the ordinary workings of such economic forces appear to have been postponed, or even set aside. How is this to be explained?

The simplest answer seems to be the steady and indeed increasing inflow of external resources from the West over the past decades. Western capital — most of it in the form of grants or subsidised loans to local governments — has financed programmes, and has helped to shape an economic environment in which extremely low rates of return are the norm. Perversely, such poor economic performance requires an assurance of concessional external funding in the future, for it is only with the guarantee of continuing and forbearing outside funding that some local governments could afford to persist in broadly imprudent or even destructive policies and practices.

Negative interest loans

In 1987 — the most recent year for which the World Bank has published such figures — the average rate of interest on new loans to the sub-Saharan was 3,4 percent.[6] This was far below the LIBOR rate at the time, and indeed below the year's rate of international inflation as well. On average, lending to the sub-Sahara contained a very substantial element of gift. But there were also economic implications from such concessionality for the governments obtaining

Rates of return on capital in a number of sub-Saharan countries may have been negative for years.

the new capital. At highly subsidised rates of interest, it becomes possible to apply funds to marginally productive purposes and still repay outstanding loans. When the real rate of interest on a loan is negative, it is possible to *deplete* capital over time and still repay creditors. For much of the 1970s and 1980s, sub-Saharan governments, the principal and in some instances exclusive recipients of external capital for their countries, have contracted new lending on which the real rate of interest is negative.

In practical effect, debt forgiveness or debt relief reduces the rate of interest on outstanding loans: to all intents and purposes, forgiving debt is the same as imposing a negative interest rate on existing obligations. As of 1987, about 95 percent of all external debt to the sub-Sahara, and about 98 percent of the external debt in what the World Bank classifies as "low income Africa", consisted of loans to governments and to their subsidiary operations. Most of this lending was contracted on highly concessional terms, if not actually with negative real rates of interest. In the sub-Saharan context, debt forgiveness would have the effect of driving the real rate of interest on preferentially contracted lending still lower — holding local governments to an even less exacting standard of economic performance than in the past. It is by no means obvious that Africa's distressed and vulnerable populations would stand to gain from such a change in their economic environments.

On average, lending to the sub-Sahara contained a very substantial element of gift.

For any long-term improvement in economic conditions in the region, the sub-Sahara must establish and maintain a climate in which rates of return to investment are strongly positive. Such a climate will have much to do with the actions of local governments. For an economic environment to be attractive, making investment look favourable, public order, rule of law, and respect for the rights of individuals including their right to property are needed — conditions presently lacking in most of the sub-Sahara. Creating the conditions in which voluntary private investment will be attracted to the region, and will remain happily, could be a welcome "development" objective for sub-Sahara. In the present circumstances such objectives would be welcome for many reasons.

As things stand, additional public aid and debt relief are unlikely to help resolve the region's economic problems. Over the past generation, Western "development" aid policies have come to expect a separate and inferior standard of performance of sub-Saharan governments from the one by which Western peoples measure their own authorities. Until this situation changes, our expectations for Western style development policy — and for results from additional Western assistance — should not be high.

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3. World Bank, **World Development Report 1989**, New York: Oxford University Press, 1989 pp 168-169.
4. **Ibid**, pp 180-181.
5. Comparisons derived from World Bank, **World Development Report 1989**, statistical annex.
6. **Ibid**, p 213.

THE STATE OF THE WORLD'S CHILDREN 1990 (SUMMARY) (United Nations Children's Fund–UNICEF)

The following is a summary of the State of the World's Children report for 1990, issued by the Executive Director of UNICEF, James P. Grant. For details of the full report, please see back cover.

Great change is in the air as the 1990s begin. And great change is needed if a century of unprecedented progress is not to end in a decade of decline and despair for half the nations of the world. In many countries poverty, child malnutrition and ill health are advancing again after decades of steady retreat. And although the reasons are many and complex, overshadowing all is the fact that the governments of the developing world as a whole have now reached the point of devoting half their total annual expenditures to the maintenance of the military and the servicing of debt. These two essentially unproductive activities are now costing the nations of Africa, Asia and Latin America almost $1 billion every day, or more than $400 a year for each family in the developing world. The sums involved are so large that it is difficult to see them in any steady perspective. *Debt and interest payments* in 1988, the latest year for which figures are available, totalled $178 billion – three times as much as all the aid received from the industrialized countries. *Military spending* in the developing nations amounted to $145 billion – an annual expenditure which would be enough to end absolute poverty on this planet within the next ten years, enabling people everywhere to meet their own and their children's needs for food, water, health care and education.

It is therefore obvious that for much of the world, some significant reduction in debt servicing and defence spending has become the *sine qua non* of a resumption in human progress.

The winds of change

But as we enter the 1990s, the winds of political change are again beginning to stir the human condition. And the most important of the changes they are bringing is the thaw in the cold war.

More rapidly than could have been imagined, the result has been a defusing of regional tensions and the beginning of what may become a fundamental re-examination of present levels of military expenditure.

Armed conflicts still scar the surface of the planet. But fewer wars are being fought in the world at this moment than at any time in the last half-century. And in some developing countries, including China, India and Pakistan, which together account for half the population of the third world, levels of military spending have begun to fall for the first time in fifty years.

It is therefore not impossible to think in terms of an outbreak of peace – with far-reaching consequences for every other aspect of the human endeavour. At present, total military expenditures, in both industrialized and developing worlds, easily exceed *the combined annual incomes of the poorest half of humanity*. The diversion of even 5% or 10% of this vast sum would be enough to reaccelerate progress towards a world in which the basic human needs of all were met.

The environmental challenge

There would of course be no shortage of new challenges in a world struggling free of its preoccupation with war. But alongside the great social and environmental issues, and inseparably linked to them, there remains the quieter but even more fundamental claim of the 1 billion people, a fifth of mankind, who still lack adequate food, clean water, elementary education, and basic health care.

In particular, it is the concern of UNICEF to argue that the needs of *children*, and particularly of those millions of children who are still living and dying in malnutrition and ill health as the twentieth century draws to a close, should have first claim on our concerns and capacities, and on the even greater resources which may gradually be released if the world were indeed to move away from its long and wasteful preoccupation with war.

The largest generation

The moral dimension of this argument is of course familiar. It is the greatest condemnation of

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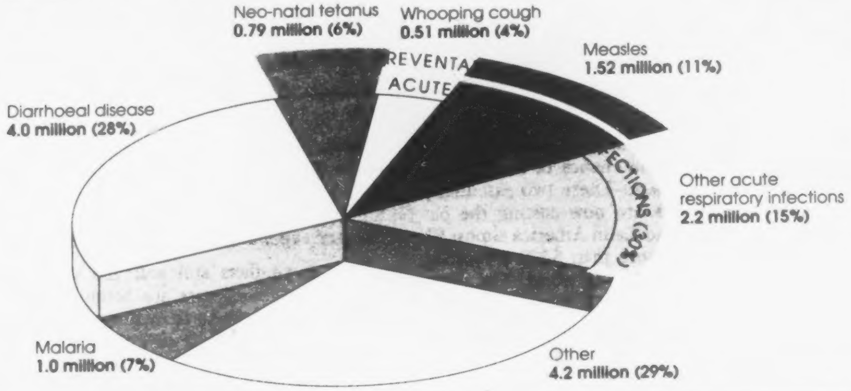
Causes of child deaths

Almost two thirds of the 14 million child deaths each year are accounted for by just four specific causes – diarrhoea, respiratory infections, measles, and neo-natal tetanus. The great majority of these deaths could now be prevented at very low cost.

Annual deaths of children under five by main causes*



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* For the purposes of this chart, one cause has been allocated for each child death. In practice, children often die of multiple causes and malnutrition is a contributory cause in approximately one third of all child deaths. Measles deaths are sometimes ascribed to acute respiratory infection as a severe case of measles renders a child highly susceptible to other infections and pneumonia is often the ultimate reason for a death for which measles is primarily responsible.

Source: WHO and UNICEF estimates

our times that more than a quarter of a million small children should still be dying *every week* of easily preventable illness and malnutrition. *Every day* measles, whooping cough and tetanus, all of which can be prevented by an inexpensive course of vaccines, kill almost 8,000 children. *Every day* diarrhoeal dehydration, which can be prevented at almost no cost, still kills almost 7,000 children. *Every day* pneumonia, which can be treated by low-cost antibiotics, kills more than 6,000 children.

Every single one of those deaths is the death of a child who had a personality and a potential, a family and a future. And for every child who dies, several more live on with malnutrition and ill health and are thereby unable to fulfil the mental and physical potential with which they were born. Death and suffering on this scale is simply no longer necessary; it is therefore no longer acceptable. Morality must march with capacity.

But as is often the case, the moral argument is ultimately inseparable from the practical. The long-term consequences of poverty will affect us all increasingly as we move towards a new millennium. Malnutrition means poor physical and mental growth, poor performance at school and at work; high child death rates mean high birth rates and rapid population growth; lack of education precludes people from contributing fully to, or benefiting fully from, the development of their communities; hopelessness and the denial of opportunity erodes self-respect and sows the seeds of almost insoluble social problems; entrenched injustices and the parading of unattainable wealth before the eyes of poverty provoke an instability and violence which often take on a life of their own; and, finally, it is becoming increasingly obvious that the extremes of deprivation preclude environmental sensitivity, forcing millions to over-exploit their surroundings in the name of survival.

A major renewal of effort to protect the lives and the development of children, and to end the worst aspects of poverty, would therefore be the greatest long-term investment that the human race could make in its future economic prosperity, political stability and environmental integrity.

The time to make that investment is now. One and a half billion children will be born in the decade of the 1990s. Towards the end of that decade, a historic turning-point will be reached as the number of children being born into the world finally reaches its peak and begins to decline. It is UNICEF's most fundamental belief, as the world struggles to free itself from the old preoccupation with war, that there could be no more important *new preoccupation* than protecting the lives and the development of the largest generation of children ever to be entrusted to mankind.

The rights of the child

In the closing years of the 1980s, several new developments and some practical achievements have suggested that this new priority for children may be beginning to emerge.

In both industrialized and developing worlds there is clearly a growing recognition that the physical, mental and emotional needs of the young are a legitimate matter of concern for a nation's political leaders. The President of the United States, for example, has expressed the belief that "*our national character can be measured by how we care for our children*". And in making the same point about the world's responsibility for its children, President Mikhail Gorbachev has stated simply that "*mankind can no longer put up with the fact that millions of children die every year at the close of the twentieth century*".

The growing importance of this issue may soon find expression in the first-ever *World Summit for Children* which was suggested in this report last year and which has since been endorsed by over 100 governments. Projected for the second half of 1990, the Summit would bring together Presidents and Prime Ministers from all regions of the world to discuss and draw world attention to the need for a new preoccupation with children. On the agenda would be the glaring opportunities now available for saving the lives of up to 50 million young children and protecting the normal growth of many millions more in the decade ahead. Chapter II of the full text of the 1990 *State of the World's Children* report is devoted to a discussion of the six most obvious and universal of those opportunities and is intended as a specific input to the preparations for the Summit.

A *Summit for Children* would also consider another major development in the emergence of this priority.

After ten years of detailed negotiations, the *Convention on the Rights of the Child* has finally been brought before the General Assembly of the United Nations. Setting minimum standards of protection for children's survival, health and education, as well as providing explicit protection against exploitation at work, against physical or sexual abuse, and against the degradations of war, the Convention is the first agreement among the nations of the world on the legally defined rights of the child. Like many such documents in history, it is the statement of an ideal which few if any nations have so far achieved. But as more and more nations ratify its text and begin to enact its provisions into national law, and as the press and public become more concerned to ensure its observance, it may gradually become the standard below which any civilized nation, rich or poor, will be ashamed to fall.

The principle of first call

Transcending its detailed provisions, the *Convention on the Rights of the Child* embodies a fundamental principle which UNICEF believes should affect the course of political, social and economic progress in all nations over the next decade and beyond. That principle is that the lives and the normal development of children should have *first call* on society's concerns and capacities and that children should be able to depend upon that commitment in good times and in bad. In other words, protection for the lives and the growth of children should not have to depend on the vagaries of adult society, on whether a country is at war or at peace, on whether a particular party is in power, on whether the economy has been well managed or bungled, on whether debts have been paid or rescheduled, on whether commodity prices have fallen or risen, or on any other trough or crest in the endless and inevitable undulations of political and economic life in the modern nation state.

If the trench of such a principle could be dug across the battlegrounds of political and economic change in the decade ahead, then civilization itself would have made a significant advance. Failure to protect the physical, mental and emotional development of children is the principal means by which humanity's difficulties are compounded and its problems perpetuated. And *special measures* to protect children from the inadequacies and mistakes of the adult world is a principal means by which many of mankind's most fundamental problems might ultimately be confronted.

Children paying debts

Nothing could demonstrate the need for this principle more clearly than the impact of the debt crisis on children. For if the principle of first call had already been entrenched in the conscience of nation states and of the international community, then the story of these years for many millions of the world's children would have been very different. As it is, the lack of *specific protection* afforded to children during the process of economic adjustment has meant that the heaviest burden of the debt crisis has undoubtedly fallen on the growing minds and bodies of the rising generation.

First of all, the poorest and most vulnerable children have paid the third world's debt with the sacrifice of their *normal growth*.

Over the course of the 1980s, average incomes have fallen by 10% in most of Latin America and by over 20% in sub-Saharan Africa. For the very poorest, those who are forced to spend three quarters of their incomes on food, cuts in income on this scale cannot mean anything else but the malnourishment of their children.

Second, the poorest and most vulnerable children have paid the third world's debt with their *health*.

Over the last few years, a decline in health spending per person has been documented in more than three quarters of the nations of Africa and Latin America. Hundreds of health clinics have been closed down, and many which remain open are understaffed and lacking essential supplies.

Fragmentary evidence of the tragic and inevitable results is gradually becoming available. Infant mortality, for example, is known to have risen in parts of Latin America and Africa south of the Sahara.

Third, the poorest and most vulnerable children have also paid the third world's debt with the loss of their only opportunity to be *educated*.

In the 37 poorest countries, spending per head on schools has declined by approximately 25% in the last decade. In one out of five developing countries, primary student numbers have actually started declining. In two out of every three developing countries spending per student has declined in real terms since 1980.

Ways and means of reversing the trend will be the dominant item on the agenda of the first *World Conference on Education for All* to be held in Thailand in March 1990.

Adjustment with a human face

It is for all of these reasons that, throughout the 1980s, UNICEF has advocated a strategy of 'adjustment with a human face'. No economic theory or political ideology can justify even a temporary sacrifice of children's growing minds and bodies. And it makes both economic sense and human sense to protect the poor and the vulnerable – and especially the children – when economies have to be adjusted to new and more difficult external circumstances.

In many countries, the sheer scale of the debt crisis means that specific action to protect children is unlikely to be sufficient without some significant progress against the problem of debt itself.

Unfortunately, the debt crisis has now become the debt trap. The way out is through a return to healthy economic growth, but the hard-won surpluses which should be available to invest in that growth are instead being sluiced away into the servicing of the debt itself.

The debt crisis therefore casts its shadow across the next decade as well as the last.

There are some small signs of hope. In the last two years, the total debt of the developing world has fallen for the first time since the debt crisis began in the early 1980s. And although debt service ratios have not yet begun to decline, there is at least a growing recognition that more drastic and decisive action on debt – including the writing-off of most of the remaining debts owed by Africa to the governments of the Western industrialized nations, and further reductions in the commercial debts of many Latin American countries – is in the interests of both industrialized and developing worlds.

But *in the process* of struggling to release this second of the two great brakes on human progress, it is also essential that the international community make a major new commitment to the spirit of the *Convention on the Rights of the Child* and to the fundamentally more civilized principle that the protection of children's lives and development should be the last and not the first obligation to be sacrificed when times are hard.

Without such a commitment, it is inevitable that the lives, the health, the growth, and the education of millions of children in the 1990s will again be sacrificed on the altar of debt repayments and adjustment programmes.

Asia's challenge

The impact of the debt crisis on children is one illustration of the need for a new ethic to protect children in times of turbulence and transition. But it would be a mistake to assume that this new ethic is needed only in the poorest countries or only in the most extreme cases of economic hardship or civil turmoil.

In both the United States and the United Kingdom, for example, ten years of steady economic growth has been accompanied by a doubling of the number of homeless families. And while the safety nets of social services have slowly frayed, the number of children living in poverty in the United States has risen by more than 3 million (from 11% of the child population in 1979 to over 15% today). Such figures – and they are not confined to the United States – represent just as great a violation of the new ethic embodied in the *Convention* as anything which has happened in the debt-affected countries of the developing world over the last decade.

This same principle also applies to those developing countries which have avoided the debt trap and maintained steady, and in some cases spectacular, rates of economic progress over the last decade. Much of Asia falls into this category. The dynamic exporting nations of East Asia are well-known examples, but the giant economies of China and India and the populous nations of Bangladesh, Pakistan and Thailand have also experienced ten years of rising per capita incomes and slow falls in the proportions of their populations living below the poverty line.

Some of those nations have consciously put economic growth to work for the well-being of their children. But many countries have seen steady economic gains *without* the equivalent social advance, showing that a conscious and specific commitment is necessary to translate the one into the other.

The problem of absolute poverty in the world still has its centre of gravity in South Asia. Approximately 40% of all the young children who die in the world each year, 45% of the children who are malnourished, 35% of those who are not in school, and over 50% of those who live in absolute poverty, are to be found in just three countries – India, Pakistan, and Bangladesh.

The principle of first call is therefore as relevant to Asia, as it moves into what may be another decade of significant economic progress, as it is in the most debt-burdened countries of Africa or Latin America.

In sum, the *Convention on the Rights of the Child* and its fundamental principle of first call for children on society's capacities and concerns is universally applicable. And as the world-wide adjustment of economies towards a greater role for market economics in almost all societies gets under way, that principle will become even more necessary to protect children from the turbulence that will be caused and the mistakes that will inevitably be made. As the problems facing the children of today's free market economies clearly show, the market-place can be a brutal place for those who lack the purchasing power to make it serve their needs. 'Adjustment with a human face', which UNICEF has advocated in relation to the developing world's debt crisis throughout the last decade, is therefore also relevant to the industrialized world, including the Soviet Union and the countries of Eastern Europe as they move towards the restructuring of their economic systems, and to the United States as it undergoes the adjustment of its own economy to the reality of its huge budget and trade deficits. Whatever the direction or cause of political and economic change in the adult world, children should be specially protected, as far as is humanly possible, from its worst effects.

The achievements of the 80s

The second half of the 1980s has also seen major practical breakthroughs towards this new ethic for children.

From very low levels at the beginning of the 1980s, immunization has now reached approximately two thirds of the developing world's children. From being almost unknown outside scientific circles a decade ago, oral rehydration therapy (ORT) is now being used by one family in every three. And from only 15% or 20% in the 1960s, effective methods of planning births are now being used by approximately 50% of all couples in their childbearing years.

The result is that the first two of these technologies alone are now estimated to be saving over 3 million young lives each year.

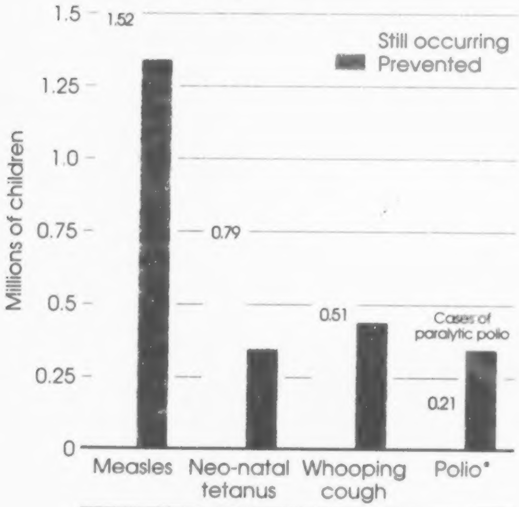
Immunization, in particular, has been the public health success story of the last decade. The target of 80% immunization coverage by the end of 1990 has been reached or brought within reach by most nations – and there is still one more year to go. The result is the saving of approximately 2 million children each year from death by measles, whooping cough or tetanus. In addition, there are an estimated one and a half million children growing up normally in the developing world today who would be crippled by polio were it not for the immunization efforts of the last decade.

It is practical achievements of this kind which make it realistic to think of an emerging new ethic for children and a new priority for tackling the problems of malnutrition, preventable illness and early death, in the decade ahead.

Vaccines prevent two million deaths a year

Over two million child deaths a year are now being prevented by vaccines, but almost three million children are still dying, annually, from vaccine preventable disease. Tetanus toxoid immunization (to protect the mother-to-be and her new-born child) lags disastrously behind.

Vaccine preventable diseases: deaths, and cases of polio, prevented and still occurring, 1988



* The large increases in the number of polio cases prevented, over the last year, is caused mainly by the surge in polio immunization in China, where coverage has reached almost 95% in 1989.

Source: WHO and UNICEF UCI Reports

Present knowledge about such issues as immunization, dehydration, breast-feeding, child growth, respiratory infections, birth spacing, safe motherhood, malaria and the prevention of illness, make it possible, at an affordable cost, to build a wall of protection around the growing minds and bodies of the children of the 1990s. But fulfilling that potential, a potential to save the lives of well over 50 million children during the next decade and to protect the nutritional health and normal growth of many millions more, depends above all on the political commitment to give those children first call on our concerns and capacities.

Moving towards new national commitments to undertake that task, and new international commitments to support it, is the practical purpose of the proposed *World Summit for Children.*

The specific opportunities

On present trends, more than 100 million children will die from illness and malnutrition in the 1990s.

The causes of those deaths can be listed on the fingers of one hand. Most will die of dehydration caused by diarrhoea, or of pneumonia, or tetanus, or measles, or whooping cough. These five common illnesses, all relatively easy and inexpensive to prevent or treat, will account for over half of all child deaths and over half of all child malnutrition in the decade which lies ahead.

Low-cost vaccines, oral rehydration therapy, and antibiotics, could between them prevent most of this quiet carnage. And the time is overdue for these basic scientific advances to be put at the disposal of the whole human family rather than being restricted to the minority in the industrialized nations. The vaccines cost less than $1.50 per fully immunized child. Sachets of oral rehydration salts (ORS) cost approximately 10 cents each. A course of antibiotics costs approximately $1.

It is not only a question of money and technology. It is also a question of the delivery systems and the infrastructure, the management skills and the training, and the use of all possible channels to inform and support parents in applying today's knowledge. But to put the problem into an overall perspective, the *additional costs*, including delivery, of a programme to prevent the great majority of child deaths and child malnutrition in the decade ahead might reach approximately $2.5 billion per year by the late 1990s.

Two and a half billion dollars is a substantial sum. It is 2% of the poor world's own arms spending. It is as much as the Soviet Union has been spending on vodka each month. It is as much as U.S. companies have been spending each year to advertise cigarettes. It is 10% of the European Economic Community's annual subsidy to its farmers. It is as much as the world as a whole spends on the military *every day*.

Whatever other reasons may be given, and however difficult the economic climate of the decade ahead may be, it is impossible to accept for one moment the notion that the world *cannot afford* to prevent the deaths and the malnutrition of so many millions of its young children.

Nor can it be accepted that the children at risk are too difficult to reach. Over the last 20 years, the developing world has revolutionized its capacity to communicate with the vast majority of its citizens: Newspapers, radio or television now reach into almost every home; education and health services now have some presence in almost every community; employers, trade unions and co-operatives are now in regular communication with their work-forces and memberships; retail industries, public services and advertising agencies regularly speak to a huge public; the voices of religion, of the non-governmental organizations, of the women's movements, of the arts and entertainment industries, now reach unprecedented audiences.

The deficit is therefore not primarily in the technology, nor in the finances, nor in the outreach capacity. It is in the awareness that the job can be done and in the determination to mobilize all possible resources to do it.

For the proposed *World Summit for Children*, and for all those who become involved in responding to this great challenge, what follows is a brief summary of the *six major opportunities* to protect the lives and the normal growth of children in virtually every developing country in the decade ahead.

1. Universal child immunization

Despite the rapid progress of the 1980s, immunization remains one of the greatest of all of those opportunities. Approximately 3 million children are still dying each year because they have not been immunized and because disease, malnutrition and death are more common among those children who have not yet been reached. It is therefore essential to maintain the momentum and reach 80% immunization coverage by the end of 1990 and over 90% coverage as soon as possible thereafter.

It is a matter of particular concern that the two biggest killers among the vaccine-preventable diseases – measles and neonatal tetanus – are the two for which immunization lags furthest behind.

Measles still claims 1.5 million young lives each year, and other illnesses and malnutrition are now known to be up to ten times more common in the months and years following a measles outbreak. Measles is therefore one of the single most deadly threats to the children of the 1990s and universal measles immunization must remain one of the decade's greatest goals.

Immunization against tetanus also trails behind. Coverage of pregnant women in the developing world still stands at less than 30%, and the number of recorded tetanus cases among women and newborn babies has therefore fallen very little in the 1980s. It is a matter of national and international shame that something so easily and inexpensively preventable should still be killing more than three quarters of a million infants and many thousands of young women each year.

The problems are many. But the 1980s have shown that high coverage can be achieved even in the poorest nations and even in the most difficult of economic times. In China, for example, still among the poorest twenty countries in the world, immunization coverage has already reached over 95% nation-wide for polio, DPT, measles, and BCG vaccines.

2. Oral rehydration therapy

To protect children from life-threatening and nutritionally damaging bouts of diarrhoeal disease, all families need to be informed that most diarrhoeal disease can be *prevented* by breast-feeding, by having children fully immunized, by using latrines, by keeping food and water clean, and by washing hands before touching food.

In the absence of basic services such as water supply and safe sanitation, not all families will be able to act on that information. But that does not mean that they do not have the right to know why it is that their children are so often ill or what it is that they themselves can do about it.

When illness does strike, parents should know that *food and liquid are essential*. It is not diarrhoea itself but the accompanying dehydration which kills two and a half million children each year*. And it is not anti-diarrhoeal drugs but oral rehydration salts (ORS), breast-milk, gruels, soup, rice water, fruit juices, tea, coconut water and clean water itself which can prevent that dehydration in almost all cases.

When diarrhoea is more serious than usual, *help is needed*. The technology required is a 10 cent sachet of oral rehydration salts which all health workers can keep in stock and which all parents can be taught how to use.

Some countries have made progress in training health workers to use the therapy. Even more widely, many nations have begun to put today's knowledge about preventing diarrhoeal dehydration at the disposal of parents. After a decade of such efforts, one third of the developing world's families know about the breakthrough and are attempting to put it into practice.

The result is that an estimated 1 million lives are now being saved each year.

The saving of 1 million lives each year is an impressive achievement. But more than 2 million children are still dying each year from diarrhoeal dehydration when an effective low-cost therapy has been available for nearly twenty years.

The question which would face a *World Summit for Children* is therefore whether or not the obvious thing will be done – will ORT be made as available and as well known as Coke and Pepsi or will we watch twenty-five million more children die of dehydration in the decade ahead?

3. Acute respiratory infections

Acute respiratory infections rank alongside diarrhoeal diseases as the major killers of the world's children. And again, parents need to know that many such infections can be prevented by breast-feeding, immunization and safe weaning. And as with dehydration, any parent of a child with a cough or cold needs to know the one symptom which means that the child's life is in danger. Scientists are now agreed on that one symptom. If a child is having difficulty in breathing or is breathing much more rapidly than normal, then it is essential to get the child to a clinic immediately. In most cases, the technology required to save life is a course of antibiotics, taken orally, and usually costing less than $1.

The question of whether antibiotics are to be made more widely available through primary level health workers is a question which must be resolved before the 1990s are more than a year or two old.

There is still debate about this issue. But WHO and UNICEF believe that enough evidence has now been accumulated to show that hundreds of thousands of children's lives could be saved each year if community health workers were trained in and entrusted with the use of simple, basic first-line antimicrobials such as cotrimoxazole which are inexpensive, easy to store, and likely to be effective in the majority of cases.

The studies will continue. But the time has now come to act on what we already know.

Oral antibiotics and oral rehydration therapy are two of mankind's most powerful instruments for the protection of its children. It is therefore essential that all health workers are empowered to use them. Yet most community health workers today are forbidden to prescribe antibiotics and most have not been trained to use oral rehydration therapy. The training of all health workers in the use of these two technologies is therefore perhaps the greatest public health priority of the 1990s. It is the path by which almost every single developing country could reduce child illness and child deaths on a significant scale in the decade ahead.

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* Of the estimated 4 million child deaths per year from diarrhoeal disease, approximately 60% are now caused by dehydration and are therefore susceptible to ORT.

Applying these solutions on the same scale as the problems would therefore be one of the most important and obvious agenda items for a *Summit for Children*. For it is clear that high-level political intervention is now necessary to overcome the obstacles and mobilize the resources to apply these known low-cost solutions to these known high-cost problems.

When a hundred of a country's citizens are killed in a plane crash or a rail accident, the event can be sure to demand the attention of press, public and politicians. When 4 million children a year are killed because two known and inexpensive solutions have not been made available, then this too ought to be worthy of the attention of nations and the intervention of political leaders.

4. Breast-feeding

Breast-feeding appears to be on the decline in many developing nations as commercial pressures, the use of milk powder and feeding bottles in hospitals, and the increased participation of women in the labour force all conspire to make bottle feeding seem the attractive option.

The continuation of this trend would be disastrous.

It has been consistently demonstrated, over many years and in many nations, that bottle-fed infants contract far more illnesses and are as much as 25 times more likely to die in childhood than infants who are exclusively breast-fed for the first six months of life.

That risk increases with poverty. In deprived and often illiterate communities, expensive powdered milks are often overdiluted with unsafe water and fed to infants from unsterilized feeding bottles. Malnutrition and infection result. Breast-feeding, by contrast, is nutritionally perfect, always hygienic, promotes healthy growth, 'immunizes' infants against common infections, helps prevent dehydration and reduces the severity of respiratory infections.

A minority of nations have acted on these facts by launching public information programmes and by enacting into law the WHO/UNICEF *International Code of Marketing of Breastmilk Substitutes* which is designed to promote the advantages of breast-feeding and to prevent the irresponsible promotion of feeding bottles and powdered baby milk for babies. It is a low-cost option for reducing both child deaths and child malnutrition in the decade ahead, and it is an option open to the political leadership of all nations.

5. Birth spacing

The majority of infant and 'maternal' deaths happen when births are more than four in total, or are closer together than two years, or are to women who are younger than 18 or older than 35. The timing of births is therefore also one of the most crucial of all factors affecting the health of mothers and children.

Empowering people with knowledge about the importance of timing births, and enabling them to act on that knowledge by providing culturally acceptable methods of family planning, therefore commands a place among today's outstanding opportunities for protecting the lives and the health of many millions of women and children.

Family planning is a controversial issue which generates passions and principles on all sides. But it touches and is touched by so many other facets of human progress that it cannot be ignored. There are today 300 million couples in the developing world who do not want any more children but who are not using any effective means of limiting family size. A strong demand for planning births therefore already exists. If that demand were to be met, then a number of major gains could be made:

First, there would be a steep reduction in the more than 100,000 illegal abortions which are now performed *every day of the year* and in the 500 deaths of young women which are the *daily* result.

Second, there would be a significant improvement in the health of many millions of women who would be relieved of the enormous physical and mental burdens of having too many children too close together or at too early or too late an age. An estimated half a million women die every year of causes related to childbirth and a majority of those deaths could now be prevented by the well-informed spacing and timing of births.

Third, the lives of the children who *are* born would be immeasurably improved. Not only would child death rates fall, perhaps by as much as a third, but the quality of child care, of health, nutrition, and education, would inevitably rise as parents were able to invest more of their time, energy and money in a smaller number of children.

Fourth, population growth would be slowed. Evidence from the *World Fertility Survey* suggests that if women who do not want to become pregnant were empowered to exercise that choice

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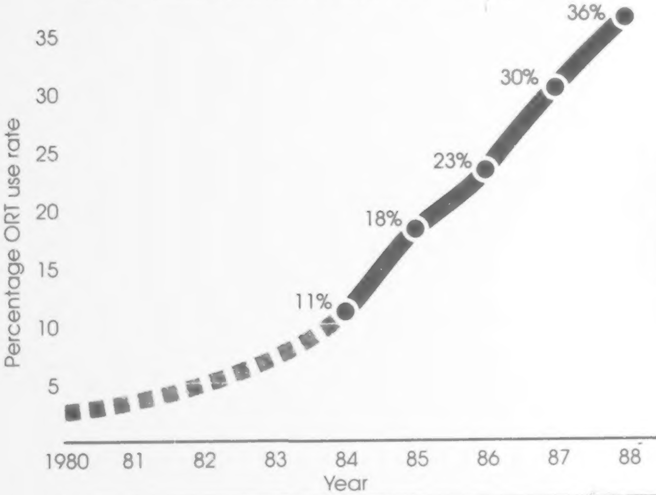
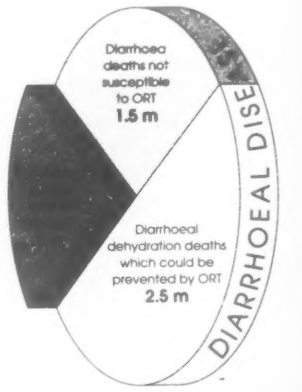
The spread of oral rehydration therapy

Low cost oral rehydration therapy (ORT) can be used to prevent or treat the dehydration, caused by diarrhoea, which is the single most common cause of death among children under-five.

Almost unknown at the beginning of this decade, ORT is now being used by one in three of the developing world's families and is preventing an estimated one million child deaths every year.

Percentage of children under five with diarrhoea being treated with ORT, annual deaths prevented and still occurring, developing countries*, 1984–88





Estimated child deaths prevented and still occurring, 1988

For the purposes of this chart, ORT includes the use of both sachets of oral rehydration salts (known as ORS), recommended mainly for the treatment of dehydration, and also home-made solutions of salt and sugar or other fluids which are recommended for the prevention of dehydration.

Source: WHO (CDD) and UNICEF estimates

* Excluding China.

then the rate of population growth in the developing world would fall by approximately 30%.

With so many substantial advantages to be had from the meeting of an *existing demand* at an *affordable cost*, the promotion of the knowledge and the means of timing births also lays claim to consideration as one of the first priorities of the 1990s.

6. The attack on malnutrition

For many parents, feeding children properly is made virtually impossible by famine, war, or absolute poverty. But one of the important advances in knowledge over the last decade has been the gradual realization that much of today's malnutrition, possible even the majority, resides in homes where adequate food is available, and that the culprit is just as likely to be frequent illness, poor health care and the lack of knowledge.

Common childhood illnesses – especially diarrhoea, measles, whooping cough and other respiratory infections – take away a child's appetite and lower food intake. Each illness also inhibits the absorption of food, burns up calories, and drains away nutrients in diarrhoea and vomiting.

In poor communities without either clean water or safe sanitation, it is not uncommon for children to have between six and twelve such illnesses a year. Malnutrition is the almost inevitable result.

For this reason, many of the priority actions already discussed in this report – and especially measles immunization, breast-feeding, and the prevention and proper treatment of diarrhoeal disease – *would also reduce child malnutrition.*

Practical steps towards ending child malnutrition could therefore be taken in the early 1990s by implementing low-cost methods of preventing and treating child illness and by mounting nationwide efforts to put today's nutritional knowledge at the disposal of all parents.

That knowledge itself is not complicated. Every parent should know:

○ That breast-milk *alone* is the best possible food for the first four to six months of a child's life.

○ That by the age of four to six months, the child needs other foods in addition to breast-milk. Introducing solid foods earlier increases the risk of infection; leaving it much later leads to malnutrition.

○ That a child under three years of age needs feeding twice as often as an adult with smaller amounts of more energy-rich food.

○ That food and drink should not be withheld when a child is ill or has diarrhoea.

○ That after an illness, a child needs extra meals to catch up on the growth lost.

○ That leaving at least two years between births, and making sure the mother-to-be has enough food and rest, is essential for the good health of the mother and for the nutritional well-being of the child.

All channels of communication can support the effort to put this information at the disposal of all, but, as with many other advances in health knowledge, it is the community health worker who can do most to inform and support parents in putting nutritional knowledge into practice.

Ideally, a community health worker should assist all mothers in the monthly weighing of all children under the age of three. In any child, *growth* is the most important single indicator of health. If a child is regularly putting on weight every month, then there is unlikely to be anything fundamentally wrong. If the child is not gaining weight, something is very definitely wrong and action has to be taken.

With only a few months' training, a health worker can perform this and many other vital services, putting at the disposal of parents not abstract nutritional education but timely, practical tips about the health and growth of their own children.

Doing the obvious

This overview shows that effective solutions to the most important causes of illness, malnutrition, and death among the children of the 1990s are available and affordable *today*.

UNICEF believes that they add up to a case for making the 1990s into a *Decade for Doing the Obvious*. And it is in search of a commitment to do the obvious on a sufficient scale that UNICEF has proposed a *Summit for Children*. For it is only the commitment of a nation's leaders, the awareness of a nation's people, and the mobilization of a nation's organized resources, which can put today's solutions into effect on the scale required.

But it is equally obvious that the available solutions to major child health problems cannot be applied in a total vacuum. Permanent systems of communication, access to services, and practical support are necessary if today's health knowledge is to be truly put at the disposal of the majority. And this in turn depends to a significant degree on the training of health workers, the development of primary health care systems, the availability of water and sanitation services, and the level of literacy and education among the population at large.

These are the dimensions of development which are most threatened by the process of adjustment to debt and recession and which the *Summit for Children* must also address.

Development with a human face

Children cannot wait until our economic mistakes and omissions have been rectified. It is *now* that their minds and bodies are being formed and it is *now* that they need adequate food, health care and education. What is required is a new commitment to a style of development which gives priority to the poor and particularly to the health, nutrition and education of their children *in good economic times and in bad*.

In particular, policy commitments to universal health care and universal education, the two great goals of social development, are of fundamental importance to today's children – and tomorrow's world.

This larger task of moving towards 'development with a human face' would of course require significant additional resources. Assuming that real progress is made in reducing the outflow of debt and interest payments and increasing the inflow of investments to the developing world, then it can be estimated that an additional $50 billion a year would be required, throughout the 1990s, to move forward towards the great human goals of adequate food, water, health care and education for every man, woman and child on earth. The approximate price tag for moving convincingly in this direction is therefore less than one half of one percent of the world's gross international product or about 5% of present military spending.

Half of this sum might come from the developing countries themselves if priorities were re-examined and the balanced tipped more in favour of the poor. The other half, or approximately $25 billion a year, might be expected to come in increased aid from the industrialized nations. To put such a sum into perspective, it would mean increasing today's aid levels by approximately 50% so that, for example, the Western industrialized nations would be giving an average of 0.5% of their GNPs instead of today's 0.35%. The aid target agreed in the 1960s was 0.7%.

Now is therefore the time for the developing nations to analyse what restructuring in favour of the poor is possible within their own resources and to draw up well thought through plans for maintaining and expanding primary education, for primary health care systems, for national nutrition programmes, and for environmental protection.

Such plans could form the basis for an increased and newly directed *aid* and investment effort in the decade ahead.

If such thinking were to become the consensus of the 1990s, then it would be possible to think in terms of compacts between groups of donor nations and individual developing countries for the specific purpose of making measurable progress towards agreed goals which might include universal primary education, low cost water and sanitation services, a halving of child malnutrition, the reduction of measles and neonatal tetanus, and a number of other major advances which are now possible.

In many countries, significantly increased aid for such programmes would be needed to make them politically feasible. And enhancing the political feasibility of long-term action in favour of the poor, and of the environment, is the most important role which aid can play in the 1990s.

For twenty years, aid has remained at approximately one third of one percent of the industrialized world's GNP. It is pitifully small. The financial resources available to the developing world must be increased – through debt reduction, trade reform, and improvements in both the quantity and quality of aid – if progress is to be made. But these resources need to be enlarged as part of a long-term and consciously planned effort to protect the poor from the immediate effects of adjustment programmes and to invest in the most reliable of all engines for future growth – a healthy, well-nourished and well-educated people.

Government and children

It is the particular responsibility of government, in both industrialized and developing worlds, to set the parameters for a new deal for children in the 1990s.

In the lessening of regional and ideological conflicts, in the beginning of progress towards disarmament, and in the birth of a new global awareness of environmental issues, it is possible that, as Soviet Foreign Minister Eduard Shevardnadze has put it, "*A new political intellect is prevailing over the dark legacy of the past*".

If the twenty-first century is to be a better one for mankind than the twentieth has been, then it is essential that the principle of first call for children become a part of that new political intellect.

It is within our power to end child deaths, child abuse, child illness and child malnutrition on the scale which defaces our civilization today. And it is within our power to ensure that every child has a school to go to, a health worker to refer to, and a diet which allows normal mental and physical growth.

But as the 1990s begin, it is important to begin the journey towards those great goals by taking the most obvious first steps. Several of the greatest health advances in human history now fall within the range of the practical and the affordable.

Achieving such progress is no longer a question of physical or financial possibility. It is a question of political priority.

In the developing world, from the traumatic events of the 1980s must be born a new commitment to styles of development which give priority to meeting the minimum needs and enhancing the productive skills of the poor majority during the 1990s.

In the industrialized world, a new commitment to the international development effort is also demanded of political leaders, press and public.

The first step towards this commitment, in both developing and industrialized worlds, would be a decision to realise the major specific opportunities outlined above. The cost of doing so, an additional $2 billion to $3 billion a year, might be shared equally between the developing and industrialized nations.

From the broader perspective of our common future, ensuring the healthy physical and mental development of children is the most important investment that can be made in the healthy social and economic development of our societies. Doing what can now be done to achieve that goal is therefore an issue worthy of its place on the agenda of the world's political leaders, the world's press and the world's public, as we enter the last decade of the twentieth century.

The full text of the 1990 *State of the World's Children* report is available from all UNICEF offices or by writing to the Division of Information, UNICEF House, 3 UN Plaza, New York, NY 10017, USA. The report is also published by Oxford University Press.

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